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UN RESOLUTION ON FALKLANDS ACCEPTED

PY282002 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1210 GMT 28 Dec 82

[Excerpt] Buenos Aires, 28 Dec (NA) -- Argentina will accept the UN resolution to resume diplomatic negotiations over the Malvinas Islands and will report its decision to the organization on 3 January 1983, the Foreign Ministry reported. On that day, Argentina's Ambassador to the United Nations Carlos Muniz will hand over the document whereby Argentina accepts the UN resolution.

FOREIGN MINISTER, CUBAN AMBASSADOR MEET 27 DECEMBER

PY281224 Buenos Aires TELAM in Spanish 0232 GMT 28 Dec 82

[Text] Buenos Aires, 27 Dec (TELAM) -- Foreign Minister Juan Aguirre Lanari met today with Cuban Ambassador Emilio Aragones Navarro at San Martin Palace. Previously, Ambassador Aragones Navarro had met with Oscar Torres Avaloa, head of the Central American and Caribbean Area Department at San Martin Palace.

After the meeting, the Cuban visitor only said that he had presented his greetings to the foreign minister. However, it was learned that during the meeting consideration was given to the agenda and other topics related to the meeting of the the Coordinating Bureau of the Nonaligned Movement which will be held in Managua, Nicaragua, beginning 10 January 1983.

GOVERNMENT ANNOUNCES RELEASE OF 131 DETAINEES

PY290112 Buenos Aires BUENOS AIRES HERALD in English 28 Dec 82 p 1

[Text] The executive branch announced the release of 131 political prisoners at its disposal yesterday, including former Santa Cruz Governor Jorge Cepernic and Communication Workers Union Leader Isabelino Guillan. In what they termed "the last release" of political prisoners this year, the government also announced another batch of 30 citizens being held at its disposal have been granted conditional liberty.

The statement issued by the executive branch yesterday, listing the names of those who regained their freedom shortly before the end of the year, did not refer to the number of people still being held for political reasons.

OFFICIAL SEES NO PROBLEMS WITH IMF BRIDGE-LOAN

PY290125 Buenos Aires Domestic Service in Spanish 2000 GMT 28 Dec 82

[Relay from Ezeiza International Airport]

[Excerpt] Central Bank President Julio Gonzalez del Solar has returned to Argentina. Shortly after his arrival, Dr Gonzalez del Solar was asked by Radio Nacional about the negotiations that are being conducted with the IMF in New York regarding the granting of a bridge-loan. Here are Dr Gonzalez del Solar's remarks:

[Gonzalez del Solar] [The bridge-loan agreement] will be signed in New York at 1700 tomorrow.

[Question] [Words indistinct] Dr Ayerza?

[Answer] Dr Ayerza is the Central Bank's vice president. He will sign the agreement because I could not stay in New York.

[Question] But, did you not go to New York to sign the agreement?

[Answer] No sir. I went because I wanted to deliver an official letter applying for the standby. The IMF will deal with this request in the second half of January.

[Question] What happened was that there was some comment made yesterday about the fact that you would be returning to the country 1 day before the signing of the agreement.

[Answer] Well, I returned before so Dr Ayerza could sign the agreement. I could not stay there because I had a few things to do here before the year is out.

[Question] Did you also return to spend the holiday season with your children?

[Answer] I returned to do both things.

[Question] Doctor, before departing (?you made some) statements which were misinterpreted by the press. It was reported that there were some difficulties in getting the bridge-loan.

[Answer] No sir, there are no difficulties whatsoever. The normal steps for an operation which involves 17 countries and I would say almost 300 banks including all the branches, are being taken.

[Question] Are all the banks in agreement?

[Answer] There is absolute agreement. There have been no problems whatsoever. Some bureaucratic procedures are being followed, procedures which are normal for negotiations which have to be conducted from a place such as New York, and which make it necessary to contact the banks' boards of directors by telegram.

[Question] Did any of the British banks which make up this group or consortium of banks raise any objections to [words indistinct]?

[Answer] No objections whatsoever were raised. This is a [words indistinct] of cooperation, because it is the result of the efforts that are being made with all the private and official institutions to strengthen the world monetary system. This is the reason for the IMF's resolute decision in favor of Mexico, Argentina, Brazil, Uruguay -- which are also negotiating an agreement of this kind, -- and for the meetings that will be held in Washington as of (?January) in order to strengthen the international monetary system.

CORRECTION TO REPORT ON VOTER LIST CLOSING DATE

The following correction pertains to the item entitled "31 December Set as Voter List Closing Date," published in the Argentina section of the 27 December Latin America Daily Report, B2.

Paragraph one, lines one and two should read...has approved and enforced Law 22,698, which establishes that...(changing number of law)

BRIEFS

NAVY CHIEF INSTALLED -- Ushuala, 14 Dec (TELAM) -- In keeping with the postings ordered by navy headquarters, Lt Cdr Julio Hugo Perez Roca was installed on 14 December as chief of Ushuaia Naval Air Base, replacing Cdr Antonio Luis Vizioli. Lt Cdr Julio Hugo Perez Roca was installed by Capt Alberto Eduardo Alonso, commander of the 3d Naval Air Unit, which is stationed at Ezeiza. [Buenos Aires TELAM in Spanish 0045 GMT 15 Dec 82 PY]

SUBMARINE FORCE APPOINTMENT -- Mar del Plata, 24 Dec (TELAM) -- Submarine Force Commander Eulogio A. Moya Latrubesse installed Commander Ricardo Horacio Aumann today as the new chief of staff of the submarine force. Commander Ricardo Horacio Aumann replaces Commander Carlos Maria Sala, who has been assigned to the Naval War School. [Buenos Aires TELAM in Spanish 1546 GMT 24 Dec 82 PY]

CNIE CHAIRMAN DESIGNATED -- Buenos Aires, 17 Dec (TELAM) -- Brig Gen Guillermo Hector Marotta has been designated as chairman of the National Commission for Space Research [CNIE], replacing Brig Gen (Retired) Miguel Sanchez Pena. Brigadier General Marotta will be installed on Monday, 20 December, at 0830 [1130 GMT]. [Buenos Aires TELAM in Spanish 2244 GMT 17 Dec 82 PY]

NEW UNIVERSITY RECTOR -- Buenos Aires, 23 Dec (NA) -- Carlos Segovia Fernandez has been a appointed rector of the National University of Buenos Aires. This official information released today added that Segovia Fernandez is replacing Alberto Rodriguez Varela whose resignation has been accepted. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 2210 GMT 23 Dec 82 PY]

FEDERAL PARTY BOARD CHAIRMAN -- Cordoba, 18 Dec (TELAM) -- Horacio Guerin, a former leader of Cordoba's Democratic Party has been made chairman of the Board of the Federal Party for this provincial capital. The Federal Party is led by Francisco Manrique who said that the incorporation of members of other moderate sectors shows a trend among this sector toward unity. [Buenos Aires TELAM in Spanish 1927 GMT 18 Dec 82 PY]

NEW AMBASSADORS NAMED -- Buenos Aires, 21 Dec (TELAM) -- The national executive branch has appointed Carlos Oscar Keller Sarmiento, Enrique Jose Alejandro Candiotti and James MacDonald Whamond as ambassadors to Hungary, the GDR and the SRV. James MacDonald Whamond will also retain his current position as ambassador to Japan. [Buenos Aires TELAM in Spanish 1420 GMT 21 Dec 82 PY]

DAIRY PRODUCTS TO USSR -- Santa Fe -- Oreste Manrique, chairman of the board of Sancor Cooperativas Unidas Limitadas, has reported here that his firm has made an important sale of dairy products to the USSR. Manrique and Nestor Pereson, a director of the firm, travelled recently to the USSR to complete the deal. [Buenos Aires LA PRENSA in Spanish 18 Dec 82 Second Section p 2 PY]

CREDIT LINE FOR GABON -- Buenos Aires, 23 Dec (TELAM) -- The Argentine Government has offered Gabon a $15 million line of credit to purchase capital goods and equipment and to implement economic development plans. The offer was made following the second meeting of the Argentine-Gabonese Mixed Commission, which was held at Libreville from 13 to 17 December 1982. The Gabonese authorities are interested in purchasing Argentine-made ships, pharmaceutical and medical products, frozen beef, fruits, vegetables, farm machinery and refreigerating equipment. The commission also discussed a plan to be undertaken between the firm Corfo-Rio Colorado and the Gabonese Economy Ministry to set up an experimental ranch for cattle raising, and to furnish a military hospital with equipment. This plan will be implemented through contributions from Argentine enterprises. [Buenos Aires TELAM in Spanish 2315 GMT 23 Dec 82 PY]

PAPER REPORTS CABINET TO BE REORGANIZED

PY281214 Paris AFP in Spanish 0123 GMT 28 Dec 82

[Text] La Paz, 27 Dec (AFP) -- The La Paz newspaper MERIDIANO announced today that Bolivia will start 1983 with a reshuffle of President Hernan Siles Zuazo's cabinet.

The cabinet reorganization will be made dut to the need to make the president's team of aides more dynamic and to strengthen even more the official front -- Democratic and Popular Unity (UDP) -- which is made up of the Communist Party (Moscow line), the Movement of the Revolutionary Left (MIR) and the National Revolutionary Movement of the Left (MNRI), which is headed by Siles Zuazo.

According to MERIDIANO, the replacement of Campesino Affairs Minister Zenon Barrientos Mamani is imminent because of his sectarian policy. The replacement of Information Minister Jorge Gonzalez Roda for having hired foreign advisers for his ministry is reportedly imminent as well.

The newspaper says that Mining Minister Carlos Barragan and Labor Minister Roberto Arnez, communists, will continue to hold their posts despite pressure exerted by some persons and enterprises who maintain that they are preventing U.S. loans from being granted.

Despite this information, MNRI leaders assured AFP that there will be no changes within the cabinet until March of the coming year since the chief of state has full confidence in his cabinet.

COMMUNIST LEADER KOLLE ON CURRENT 'PROCESS'

AU231500 East Berlin NEUES DEUTSCHLAND in German 21 Dec 82 p 6

[Latin American correspondent Dieter Wolf interview with Jorge Kolle, first secretary of the Central Committee of the Communist Party of Bolivia -- date and place not given]

[Text] Question: At the recent conference in Lima of the fraternal South American parties it was noted that the change of government at the Altiplano is also of great importance for the antidictatorial struggle of other peoples in the region. Where do you see this importance?

Answer: I think the Bolivian process has opened up a new phase for the people's struggle in the southern part of Latin America. It is also an encouragement for the democratic forces in neighboring countries. With the ending of the military dictatorship in our country not only has the number of dictatorships in this region of the continent gone down, but a bastion of fascism of many years and of particular militancy has also fallen. One can imagine that this development causes concern for certain imperialist circles, since this is in contrast to their concept of Latin America and since the successors of the dictatorship have proven true representatives of the people.

Question: Democratic Bolivia is now entering the international arena with an independent policy. What does this foreign policy consist of?

Answer: President Siles Zuazo appeared before the UN General Assembly and spoke out in favor of active cooperation with all countries whose policies seek peace, justice and international cooperation. The new government is trying to play a really active role in the international concert. This is the second side of the process of change in Bolivia. On behalf of our communist party, which supports the policy of the government within the framework of the united front "Democratic and Popular Union" [UDP], we must also state that we are very concerned about the serious aggravation of the international situation as a consequence of the course of the United States and NATO.

We resolutely condemn the policy of aggression and intervention of the U.S. Government vis-a-vis Cuba and Nicaragua as well as the gross interference of the United States in the internal affairs of El Salvador and other Central American countries. The change of government in Bolivia, in our opinion, helps to strengthen the movement of the world's peaceful and democratic forces. This factor will become more and more strongly effective to the extent that the UDP government is strengthened.

Question: You speak about a process which is taking place in your country. What are the main aims which the new government in the Quemado Palace is pursuing?

Answer: The government in La Paz is struggling with great patriotic dedication to restore basic democratic freedoms, win back national sovereignty and freely decide on the riches of the country. This and nothing else is meant when we talk about the Bolivian process. It is a political program which, in contrast to the antinational, pro-imperialist conceptions of its military predecessors, can be subscribed to by all strata of society. A progressive, bourgeois-democratic-oriented government in cooperation with the representatives of all strata of society, including the national bourgeoisie, is thus trying to make the country viable again and to restore constitutional order, something that has not been the case in Bolivia for a long time.

Question: How do you assess the government's policy to overcome the state of national emergency?

Answer: The policy of the government and the UDP, which is now becoming stronger as a political organization and is gaining in status, centers of course on overcoming the difficult economic crisis which is gripping our country. The task consists in eliminating that heritage that the reactionary military rulers who fled to foreign countries have left us. First measures for boosting the economy have been introduced. The government has taken over permanent control of the national bank. Special attention is being paid to stabilizing prices and supplying the workers' centers with basic foodstuffs. Meat, flour and rice supplies are finally again being extensively guaranteed. Prices have been subsidized and frozen. The introduction of a minimum wage is planned -- a unique procedure in the economic history of Bolivia which demonstrates the social care of the present government for the poorest of the poor. Unfortunately, I must say that the situation in the social field will remain unsatisfactory for a long time. The difficult situation that the government has inherited simply does not allow it to fulfill all expectations. Like all other leadership organs of the democratic parties, the political commission of our party has published a declaration welcoming the government's measures to overcome the state of emergency and calling them fully justified. The overwhelming part of the organizations united in the Bolivian Labor Federation [COB] has also rejected certain maximalist demands of pseudoleftist circles. Concerning the most influential association in the COB -- the miners trade union -- the so-called maximalists are clearly in the minority. The workers class of Bolivia has enough ideological clarity and commonsense not to endanger the democratic process by unrealistic demands which at present would result in destabilization.

Question: Where is the main enemy of the democratic process?

Answer: The enemy is more or less the same forces which ruled in Bolivia over the last 2 decades. They are profascist military groups that are linked with the domestic oligarchy and are connected with the black internationale of military dictatorships in our region. I do not need to discuss the great dangers posed by secret service operations of well-known "firms". The people of Bolivia are keeping these enemies firmly in mind and equipping themselves for defense while reconstructing. It is the aim of our people to make the process of democratization irreversible..

FINANCE MINISTER DENIES RESIGNATION RUMORS

FY281531 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 28 Dec 82

[Excerpts] On drawing up a balance sheet for the year which is ending, Finance Minister Ernane Galveas stated that it was a very difficult year, but not so bad after all. With the same optimism, the finance minister foresees better days for 1983. He said that there will be growth in the economy and in employment in all production sectors.

Galveas asked businessmen and farmers to keep faith in the country's potential. Galveas also made an appeal to workers to join the national effort and not to make absurd demands.

The finance minister said the problems and difficulties the country is facing at the moment have been created abroad and do not stem from domestic causes.

At a luncheon with the press, Galveas admitted some changes in wage policy. Their objective is to neutralize the impact of wages and prices, increasing in this manner the number of job opportunities.

Galveas also said that it would be good for international bankers to respond to the government's plan to finance the balance of payments in 1983. Galveas feels there are some factors which will allow an answer by the bankers before 1 (?January). He also listed the holidays during the year. [sentence as heard]

In the political field, the finance minister does not consider the country's decision to resort to the IMF a factor that will discredit the government in the eyes of the people.

Speaking about the reduction of interest rates, he denied that this measure had already been established. He said it would be approved at the next meeting of the National Monetary Council.

In an interview granted to Radio Bandeirantes, Galveas also denied rumors that he was leaving the Finance Ministry.

[Begin relayed report from Brasilia] One of the main objectives of the next meeting of the National Monetary Council on 11 January is to reduce the interest rates. This measure has not been approved yet, however, as reported to Bandeirantes by Finance Minister Ernane Galveas.

[Begin Galveas recording] I am not in a position to anticipate anything. What we have has not been approved yet. We are going to discuss this problem, however, and see what can be achieved. The objective is to reduce the interest rates on the domestic market. [end recording]

The minister feels that it will be very difficult to regulate interest rates next year. He admits that the interest rates charged by financial institutions on loans can be reduced, although he added that no decision has been made in this regard. Galveas hopes that at the meeting of the National Monetary Council on 11 January the banks will present proposals to reduce the interest rates.

Galveas said that he would be a coward to leave the job in the middle of things. With this answer he denied rumors that he will resign from his post.

Regarding negotiations between Brazil and the IMF, the minister defended the secrecy of negotiations, noting that it is impossible to discuss this matter in public. [end relayed report]

NAVY TO TAKE PART WITH FRG IN BUILDING SUBMARINE

PY232216 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Dec 82 p 5

[Excerpt] Navy Minister Maximiano da Fonseca confirmed yesterday that Brazilian naval engineers will participate in the construction of the submarine to be built by the FRG's IKL consortium at the Howaldtwerke shipyards in Kiel. Construction is scheduled to begin during the first half of 1983. He explained that the engineers are going to "absorb technology," because the second unit -- the 1,400 conventional type -- will be built in the Rio de Janeiro naval shipyards. These reports were released after the celebrations of 30 years of work by the Sao Paulo State Technological Research Institute (IPT) in the field of naval engineering.

The construction of the two conventional submarines is included in the Brazilian Navy's reequipment program. The navy minister admitted, however, that "naval investments will obviously be affected" by the economic crisis, and added that "the crisis is international." He gave assurances, however, that "what is being done will not stop," and admitted that there was "a little shortage of oil" which could affect training even more. He concluded by saying that "the navy's expenditures have been assured."

VICE PRESIDENT HOSPITALIZED IN MINAS GERAIS

PY271407 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 27 Dec 82

[Text] Vice President Aureliano Chaves will leave the intensive care unit at the Pronto Soccorro Hospital in Belo Horizonte between today and tomorrow. The latest medical bulletin reports that the vice president of the republic is recovering well, and that he is staying at the intensive care unit for precautionary measures.

Chaves was hospitalized this past weekend for drainage of an abscess. Minas Gerais Governor Francelino Pereira was the first to visit the vice president. Justice Minister Ibrahim Abi-Ackel was also present at the Pronto Socorro Hospital. At least 36 politicians went to the hospital to learn about the vice president's state of health.

BRIEFS

NOVEMBER INFLATION FIGURES -- Inflation rose 5 percent in November as compared to 4.8 percent in October and accumulated inflation for the last 12 months is now 95.3 percent. Julio Cesar Martins, special secretary for supply and prices, predicts another 5 percent increase in December which will mean that this year's inflation will amount to 97 percent, slightly higher than last year when inflation amounted to 95.2 percent. [Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Dec 82 p 1 PY]

MINISTER LUDERS ADDRESSES NATION ON ECONOMY

PY281923 Santiago Domestic Service in Spanish 0053 GMT 28 Dec 82

[Speech to the nation by Economy Minister Rolf Luders on 27 December, place not given -- live or recorded]

[Text] Good evening. Over the last few months, patient and methodical actions have allowed us to move gradually toward solving the serious problems which have been plaguing our economy since the middle of last year. At the same time we have been seeking to preserve the greatest possible stability, taking into account the pace at which economic activities develop. I believe it appropriate to emphasize that this sustained progress has been maintained and will continue to be maintained within the framework of a mixed economy based on respect for the private ownership of most means of productions, on the free market system, on the broadening of foreign trade, on an open-door policy for international investments and on the subsidiary role of the state.

These principles of Chile's economic system are rooted in our tradition as a nation of free men and the [word indistinct] consistent with the sociopolitical system that most people of this country desire. There should, by no means, be any mistaking the stability of the model -- a stability that is essential for any society that seeks material progress -- for the refusal to implement the necessary flexibility in adjusting macroeconomics to current requirements and circumstances.

In keeping with this position, the government has designed a short-term economic program, the main macroeconomic measures of which have already been announced. In addition to these measures, the program includes a number of specific actions in various sectors, actions that will be disclosed by the ministers concerned over the coming days. My statement merely seeks to insert each one of these measures within a coherent overall context. Without rehashing old diagnoses we could say that the current economic contingency that Chile is experiencing was caused by excessive overall expenditures prompted by both a severe international recession and the unbridled rate of growth which was out of keeping with our development possibilities. The latter resulted in heavy debts for the nation, and the servicing of these foreign debts requires considerable funds.

The adjustment mechanisms implemented by the middle of this year led to the achievement of a balance in foreign trade, but it also had the defect of generating it [as heard] because of a considerable decline in activity and the resulting increase of unemployment. At that point the economy evinced three important shortcomings that we must overcome in order to recover -- and if there is a recovery of the world economy -- the levels of domestic activity and employment. We are talking about: 1. the severe distortion which affects the prices of goods, services, consumption, salaries and wages, and interest rates; 2. the drastic slump in demand for loans in foreign currencies and the resulting decline of international reserves; and 3. the problem posed by the debts of the corporations.

Most of the problem stemming from the distortion of relative prices, which already stood at 80 percent, was corrected by the devaluation of the peso on 14 June. This, together with a relatively moderate inflation rate and the usually stable level of wages and salaries maintained through the process, has given the nation the highest realistic exchange rate in recent history and has led to an obvious recovery of the levels of operational profits of enterprises that produce marketable goods, expecially those for sale abroad. For example, small- and medium-sized mining enterprises will increase their sales by 24 percent this year. Fishing will experience a 14 percent increase. In the field of agriculture, in addition to an expected large increase in fruit exports during this season, the profitability of crops like wheat, corn and beets has been improving.

Furthermore, the expansion experienced by the 44 corporations that together account for 49 percent of the corporate capital registered on the stock exchange, shows that during the third quarter of this year more than half of the enterprises have increased their profits or have turned their losses of the second quarter into profits. In general terms, with the exception of the interest rates undoubtedly tied to the other two circumstances mentioned before, the distortion of relative prices can be considered (?overcome) for all practical purposes.

Considerable uncertainty prevailed during the period prior to the devaluation. The devaluation not only failed to dispel this uncertainty, but also exacerbated other problems that have probably increased this uncertainty. I mean the decline of demand for loans in foreign currency and the debts of the corporations. The strong decline of demand for loans in foreign currencies is only one aspect of a more complex problem. This complexity is the result of aspects such as public trust, the very design of the credit and exchange policy of the Central Bank and the attitude of foreign banks toward the nation and the national banks. Fortunately, foreign banks and financial sectors have indicated that they have broad confidence in the macroeconomi management of the country and have promised -- whenever contacted -- to keep the lines of credit open for Chile, and even increase these lines of credit for specific needs. The recent $305 million loan which Codelco [Copper Corporation] signed with 25 of the largest private banks in the world is the best proof of the above. However, the confidence shown by the international banking cricles is mainly based on the agreement that we are about to conclude with the IMF.

The renewal of credit requires a clear-cut financial system, a very essential aspect, the achievement of which should lead to the solution of the problems posed by the debts of corporations and enterprises of which we will speak later on.

In order to recover domestic trust in the exchange policy and turn in the nation's reserves, the government has been gradually implementing a number of measures, all of which are aimed at stabilizing the management of the exchange rate and the level of reserves. In the former case the implementation of a fluctuation range [franja de referencia] and the swaps [given in English] have established the period of exchange rate stability [periodo de certeza] for the U.S. dollar at 6 months, and this formula will be maintained in the future. It has been deemed counterproductive to increase the period of exchange rate stability because it was felt that because of the current level of confidence, a more extended period of exchange stability might not have been considered feasible by the various sectors of the economy.

The current exchange rate policy is not similar to either the fixed or floating exchange rates that were recently implemented in the country. It is more like the policy implemented during long periods of our recent history in which the devaluation of our currency was successfully subject to the domestic and international inflation rate. Moreover, we believe that despite the [word indistinct] problems caused by speculation, the formula has been entirely satisfactory. However, we are studying measures that may effectively and credibly strengthen confidence that the exchange rate will remain stable.

We believe that the signing of an agreement with the IMF will also contribute toward strengthening confidence. This is not only because of the $500 million that will immediately increase our net reserves or because of the $400 million that will increase them during the coming 18 months, but because of the guarantee that it represents for the national economic team. This guarantee is that the economic policy is being conducted coherently so as to maintain the reserves that a country requires for an orderly development of its finance and for the fulfillment of its international commitments.

Lastly, the outlined objective requires that the Central Bank implement a credit policy that will find a just equilibrium so that it will be sufficiently strict to prevent the undesired loss of reserves and sufficiently loose to maintain the interest rates at a level that will be compatible with the modest, but possible, recovery that we have programmed. The government will strictly adhere to the credit policy that is party of the Central Bank's monetary program.

In the belief that a strong expansion of domestic loans would have an important effect on the country's recovery, the Central Bank increased domestic loans to 38 percent per month of the money supply during the September-November period, thus generously surpassing the scheduled average rate. Unfortunately, this expansion of domestic loans not only yielded the expected recovery, but also caused a reduction of the Central Bank's foreign currency reserves. As a consequence, the government is making the necessary effort to fulfill its monetary program which now, obviously, implies a period during which money will be in shorter supply than that scheduled for the next 4 months.

As this will undoubtedly cause interest rates to rise to destabilizing levels for the entire system, the government is cooperating with the financial organizations to temporarily maintain interests rates at a high but reasonable level through a program of voluntary restrictions in the granting of loans by those enterprises. However, these measures, which are an exception to the freedom that is sought for the credit market and are only temporary and taken for practical reasons, will be lifted as soon as the scheduled [word indistinct] is achieved.

However, this recent experience has proven that with its credit expansion, which became necessary to a large extent due to the existence of the preferential dollar rate, the Central Bank would not have sufficient authority to carry out its program and at the same time keep interest rates from reaching undesirable levels. This, in addition to the possibility of channeling resources through more reactivating channels than the direct issuance of money, compelled the government to change the preferential dollar rate system. The change was made in such a manner that it would not harm those with debts smaller than $20,000 -- which constitutes the great majority -- and that would prevent any type of fluctuations for the remaining people when renewing their lines of credit in foreign currency and in order to support the central bank's portfolio [mantener en cartera] of promissory notes.

In sum, an exchange rate policy which has proven successful, a relatively high level of reserves as a consequence of the Codelco loan and the IMF resources, a Central Bank credit policy that is subject to the maintenance of reserves, the incentives to renew credits in foreign currency, a greater freedom in the Central Bank's monetary and credit policy implicit in the changes in the preferential dollar rate system, and the effect that the agreement signed with the IMF has had on the confidence of those involved in exchange policy will all contribute increasingly toward a larger portion of the economic sector being willing to once again obtain credits in foreing currency since the international market continues to be willing to finance them.

Within the aforementioned context we believes that, in order to attain a gradual recovery of confidence and a financial normalization, the only issues that remain to be solved are the indebtedness of enterprises and its impact on financial enterprises.

Enterprise indebtedness has become the country's most critical problem. The main problem is the uncollectable debts that exert pressure on the interest rates thus preventing them from returning to normal. This in turn causes a variety of pressures to have other sectors absorb the losses.

This process gives rise to great [word indistinct]. The government and the financial institutions have made efforts to assess the scope of the problem of these debts and have reached the conclusion that more than 95 percent of the indebted enterprises are viable, that is, they (?expect) to make net profits, which implies [word indistinct] stability; that 19 percent of these overall debts of the system must be renegotiated to normalize the enterprises; and that unfortunately, almost 5 percent of the overall debt must be foreclosed for the good of all. Fortunately the losses of the financial system are bound to be [words indistinct] than the debts of those subjects to foreclosure because in many cases there is collateral [words indistinct] attached or auctioned.

Thus, the problem is to collect through courts the loans granted to nonviable enterprises and set up the necessary incentives for renegotiations to take place within a reasonable period of time, and to design a mechanism for making adjustments for unrecoverable debts. The appropriate measures have already been implemented, and people at large are aware of this.

The viewpoint from which this problem has been dealt with has been that the state has a purely subsidiary role. To the extent possible the matter will have to be resolved between the debtor and the financial institutions in question -- because this is the level at which the loan was freely agreed upon initially -- provided the debtor bears the brunt of the loss. In the highly improbable case that certain institutions will be unable to absorb in a single business year the losses stemming from the foreclosure of loans with nonviable enterprises and from the renegotiation of other loans, the government has set up the means to facilitate the amortization of these losses over a longer period. Furthermore, in the case of renegotiations, the government has implemented a sort of liquidity insurance to allow financial institutions to keep enough (?elbow room) between assets and liabilities.

Finally, the executive branch has submitted to the government junta a draft law that will permit granting up to 3 years for the payment of tax debts and certain social security debts. In all cases the debtor will have to pay the fines established by law and the adjustments and interests on his debt. This means that there is not, nor will there be, the so-called blanket fiscal amnesty which some have been expecting and insisting [words indistinct]. However, there is a desire to cooperate to the extent possible without burdening third parties with undesired costs, in order to resolve a serious problem that is preventing the country from recovering its level of activity.

As to the interlocking portfolios of loans to enterprises that belong to groups or conglomerates, I want to firmly reassert that the recently announced guidelines for the deconcentration of credit are fully in effect. At the same time, the so-called investment corporations, most of whose assets are holdings in other corporations, have been and will continue to be subject to credit restrictions. Moreoever, direct debts between companies and the people [presumably shareholders] that have been already severely restricted, will not be allowed to grow any further with the exception of those cases when the certainty or quality of the business in question is fully proven to be beyond doubt.

The problem posed by the debts called for an urgent solution. The elected option is strictly in keeping with the principles of our economy and also the fairest possible. Even so, this option has deep-rooted consequences for a significant number of enterprises and it is my duty to make the people aware of this. However, I feel that -- irrespective of how drastic they may seem or how significant their consequences will be -- these actions are the most effective and fair way to crown the measures that had to be taken to fully adjust the economy to the excessive spending and indebtedness of earlier years.

Now, once the problems of distorted relative prices, of the lack of demand for credits in foreign currency, of the debts of the enterprises, and of the resulting loss of confidence, are over, Chile's economy ought to start recovering according to our expectations, at a moderate pace, bound, of course, to foreign factors that do not look promising.

As you know, we expect the gross domestic product to grow by 4 percent during 1983 with agriculture, industry, mining and fishing growing at a rate slightly above average and construction and trade growing at a rate below average.

The inflationary pressure has decreased, which makes it possible to believe that the Central Bank's forecast of 25 percent inflation will be fulfilled while it is felt that the level of reserves at the Central Bank ought to be maintained during 1983.

Thus, we will leave behind 1982, the year during which the economy had to adjust itself to the consequences of enormous expenditures, although this adjustment did not disrupt the foundation of its structure, which is basically very sound.

Undoubtedly, the measures that we just evaluated are necessary to refurbish the economy in the short term. Together with other already known measures that define the nation's commerical, fiscal, credit, monetary and investment policies, these measures constitute a coherent macroeconomic framework and they should give rise to swift medium- and long-term growth once the world economy pulls out of its recession.

However, as we have said before, domestic and foreign conditions are such that it is impossible to expect the recovery that (?could help solve) the unemployment problem in the short term.

Thus, the government has decided to implement -- as part of the overall program we mentioned at the beginning of this statement -- an additional job-creating system through unemployment benefits, employment programs for heads of household, more public projects and hiring [words indistinct] for professional people. The objective of these programs is to reduce unemployment to 15 percent during the third quarter of 1983 and they will cost almost 7 billion pesos. These measures will be disclosed in full by the labor minister in the next few days. At the same time specific actions will be carried out at various economic sectors to facilitate recovery. The details of these actions will be announced by the ministers concerned in the coming days as well. The implementation of this program, including the measures aimed at curbing unemployment, has led the government to submit to the government junta a draft by which budget revenues available to the public sector should be increased by 2.1 percent. The government is fully aware of the sacrifice that this implies but it hopes that those concerned will realize the benefits that it will bring to the thousands of unemployed and to the population at large because of financial normalization and economic reactivation.

I would like to reiterate that in addition to these contingency measures the government is also making efforts to promote exports, stimulate savings -- through tax reform and other measures -- and encourage the establishment of a capital market, which is the only way to resolve the defective financing system of the nation's enterprises. However, these actions are largely aimed at medium-term benefits for the country and for them to be effective it is supposed that contingency problems have been overcome.

Ladies and gentlemen, I would like to end this statement emphasizing that the actions that we have decided to carry out imply significant policy decisions.

I have in mind the reaffirmation of the mixed economy model that the country has implemented; the refusal to renegotiate the foreign debt and the decision to strictly fulfill our foreign commitments; the decision to abide by the principle that the state must play a subsidiary role in the solution to the problem posed by the debts; and finally, the refusal to help either small or large enterprises through inflationary means or through negative interest rates. The consequences of all these decisions will be especially harsh in the short term and under the present circumstances, but they are the ones that will provide the foundation for the nation's greatness in the medium and long term. Despite the latest problems and the general uncertainty which has been fertile soil for fear and lack of confidence, the economic authority has kept calm and taken concrete steps toward the solution of current basic problems. Something which only a short time ago was viewed as a headlong plunge and an unfathomable worsening of difficulties, can now be seen as an effective although laborious process of recovery.

The enterprises threatened by heavy and ever-increasing losses have turned the latter into profits or at least have substantially reduced them. The confusing picture of the debts accumulated by the enterprises has been cleared up and thanks to the efforts of individuals, financial institutions and the government, a solution compatible with economic resurgence will be forthcoming.

The flight of reserves ought to stop or be reduced to the minimum and this, coupled with the sustained trade surplus resulting from the expected export boom, should firmly reestablish foreign and domestic confidence in the nation's economy.

For this very reason and because we have a high regard for the tenacious spirit of self-sacrifice and desire for improvement of the Chilean people, I am sure that they will be able to leave behind hesitation and cowardly attitudes to commit themselves to the task of bringing about the recovery which is not only possible but has a firm foundation as well.

The businessmen's faith that the crisis will be overcome, the cooperation of the workers for reaching the stage at which their current sacrifices will be rewarded, the trust of investors and holders of savings in the fate of their country [words indistinct] are positions dictated not only by patriotism but also by reason, by the spirit of survival, and by the need to set an example for our descendants.

Thus, today more than ever the fatherland expects calm and constructive attitudes from us and it is our duty as Chileans to adopt these attitudes at our job or post and to cooperate without hesitation with this ongoing process of national economic recovery. Thank you very much and good night.

BRIEFS

ECONOMIC DATA -- The Central Bank reports that the amount of circulating money increased 5.7 percent in December, and that exports exceeded imports by $83 million during the first half of December. The Central Bank's international reserves amount to $2.23 billion, and the deficit in the balance of payment totals $1,447,000,000 thus far this year. [Santiago Domestic Service in Spanish 2200 GMT 27 Dec 82 PY]

COOPERATION AGREEMENT WITH SPAIN -- Spanish Ambassador to Chile Salvador Bermudez de Castro signed a Spanish-Chilean complementary agreement today concerning cooperation with the Technical Instruction Research Center of the (Federico Santa Maria) Technical University. The ceremony, which was held at the Red Room of the Foreign Ministry, was presided over by Foreign Minister Rene Rojas Galdames. [Santiago Domestic Service in Spanish 2200 GMT 27 Dec 82 PY]

CEPE REPORTS ON 1982 OIL SALES, REVENUES

PA271654 Quito Voz de los Andes in Spanish 1130 GMT 27 Dec 82

[Text] It has been officially reported that the Ecuadorean Government received 6.93 billion sucres from its short-term sales of crude oil to foreign countries between January and November 1982. This fugure represents the sale of 8,718,000 barrels of crude, or almost 32 percent of total sales, the official report added.

The Ecuadorean state Petroleum Corporation [CEPE] report points out that the monthly average of sales was 2.5 million barrels. The highest volume of oil sales occurred in February, when 3.8 million barrels were sold on the international market, bringing in revenues of 92.3 million [no currency given] whereas the lowest sales were in June when the exported volume was 1.5 million barrels for revenues of $40.4 million.

The corporation added that the marketing policy in the current year has been to arrange to sell the highest possible volume of crude by signing long-term contracts with state refining enterprises, opening the market not only to Latin America but to other areas.

As a result of this policy, a contract was signed with the Brazilian State Petroleum Corporation (Petrobras) in February whereby CEPE promised to deliver crude in exchange for the refined products necessary to meet the country's internal demand.

In compliance with this contract, CEPE delivered 2,911,419 barrels of oil to Petrobras, representing 10.63 percent of the total volume marketed between January and November. In fulfillment of contracts in force in the current year, CEPE traded on a long-term basis with the following enterprises: the (Yundai) Corporation, Petrobras, Korea Oil, (Eloch) Oil (Ankapp), Citizen Energy, Unicom Ltd and (Chung Hun).

In addition, CEPE has entered the spot market by bartering crude for by-products. The corporation delivered 2,025,772 barrels of crude in this fashion from February to November, representing 7.40 percent of its total sales. The transactions were made with Kodak Petroleum, Coastal States, Shell and Latina Oil.

BOMB EXPLODES AT SUPREME COURT PRESIDENT'S HOUSE

PA290223 Quito Cadena Ecuador Radio in Spanish 2300 GMT 28 Dec 82

[Excerpt] A medium-sized bomb exploded at the home of Gonzalo Zambrano Palacios, president of the supreme court, early today.

It was learned that this was not the first attack on Zambrano and his wife, because in the past a tear gas bomb had been hurled at their house. According to Zambrano's wife, nobody was hurt but the vehicle where the bomb was placed was completely destroyed. The front windows of Zambrano's house were also destroyed.

BRIEFS

DRILLING CONTRACT ENDED -- Quito, 20 Dec (AFP) -- The Ecuadorean Government has decided to terminate its contract with Permargo, a Mexican firm that has been using the Uxmal platform since October 1981 at a daily cost of $80,000. The decision came at the request of the Natural Resources Ministry, due to the critical condition of Ecuador's economy. Operations will end in accordance with the contract after the drilling of the Tengel well is completed. It is the third well to be drilled and has reached a depth of 13,200 feet thus far. Operations should be over within the next 12 days. [Paris AFP in Spanish 0309 GMT 21 Dec 82 PA]

STROESSNER ANNOUNCES POPE VISIT IN YEAR-END SPEECH

PY241342 [Editorial report] At 1210 GMT on 24 December, Asuncion Domestic Television Service in Spanish carries live President Alfredo Stroessner's year-end message to the nation, given at Government Palace in Asuncion. After describing the religious importance of Christmas celebrations and expressing good wishes for a happy year-end holiday to all sectors of Paraguayan society, President Stroessner states that "violence is not the path to solutions for human problems, in addition to being an un-Christian practice." Stroessner goes on to describe the peace prevailing in the country which promotes its vigorous development. The Paraguayan president then states: "All this accelerated process of change has an undeniable origin: our peace. And we are going to defend that peace with all patriotic energy, rejecting without hesitation the terrorists and all provocations of ideologies that are alien to our life-style."

President Stroessner says that "our international policy is firm and unchangeable in the Western and Christian line, faithful to the principles of freedom and sovereignty." Stroessner then expresses his satisfaction and honor to extend a bit of good news, which brings joy and hope at Christmas. He says that the pope has accepted his invitation to visit Paraguay and then reads the text of the pope's letter. The date for the visit will be set later.

President Stroessner concludes his speech by thanking Almighty God for his blessings and prays for all Paraguayan citizens who have always respected their religion and the national colors. The speech ends at 1223 GMT.

PLRA PRESIDENT BENITEZ HELD INCOMMUNICADO

PY281831 Asuncion ABC COLOR in Spanish 28 Dec 82 p 12

[Quotation marks as received]

[Excerpts] Dr Juan Manuel Benitez Florentin, president of the Authentic Radical Liberal Party [PLRA], was detained yesterday by police forces at Dr Domingo Laino's residence, which was raided on court orders. Several members of the Authentic Radical Liberal Youth (JLRA) were also detained. They were accused of painting slogans on a public throughfare. All of them were taken to the investigations department. The PLRA board released a communique in which it regrets the detention of these politicians and assumes the responsibility for the mural painting in the public throughfare.

The PLRA released a communique yesterday, the text of which reads as follows: On 27 December, Dr Juan M. Benitez Florentin was detained and taken to the police investigations department, where he is being held incommunicado. This morning, the following JLRA members were also detained: Dr Alfredo Boccia, Felino Amarilla and Ramon Ignacio Ferreira. [all names as published] At approximately 0700 the home of the Guanes Gondra family was again raided. Luis M. Guanes Gondra was detained and several private papers were seized, in addition to copies of the book "The Merchant General" written by Domingo Laino," the communique signed by Miguel Abdon Saguier and Juan Carlos Zaldivar, PLRA secretary and president, states.

The communique adds: "In view of these events, the PLRA board expresses full solidarity with its president, with his leadership, his remarks and political actions. It assumes the responsibility of the mural paintings in the capital. The state of oppression experienced by the youth of our fatherland justifies the acts of protest which the party's youth has carried out against the current state of things. The party reiterates its political line of demanding the rights of the citizenry.

PRESIDENT BELAUNDE GIVES TERRORISTS ULTIMATUM

PY271844 Tacna Radio Tacna in Spanish 1200 GMT 27 Dec 82

[Excerpts] Speaking at his usual Sunday press conference held at Government House's Golden Room, President Fernando Belaunde called upon those who are involved in subversion to surrender in the next 48 or 72 hours. Belaunde, who voiced his firm determination to restore order in terrorist-striken areas, said: We do not negotiate with bullets but with ideas. The government can hold no dialogue with criminals, with murderers, with people who destroy the nation's hopes. The president declined to give details of the plan to be implemented in Ayacucho.

[Begin recorded relay from Government House by (Rosana Canero) and (Francisco Curagua)] [Belaunde] I think this is the right time for calling upon all Peruvians involved in subversion and who have direct or indirect responsibility in cases of murder, to report to the authorities in the places where the crimes were committed. We do not want to exchange bullets but constructive ideas. It is high time to halt this wave of foolishness and insanity, which has been nurtured by agitators and false teachers who have degraded youths instead of inspiring them. Therefore, I hope that there will be a response to this appeal, so that we can put an end to this ordeal that 99 percent of the population of Ayacucho, Angaraes and Andahuaylas are going through. It is then necessary to overcome this situation, since there is a strong determination to restore order even in the remotest areas where it has been disrupted. We will resort to all available means for the attainment of this noble objective of restoring peace, public order and guarantees for peaceful citizens.

[Question] Could you please refer to the armed forces' involvement in the struggle against terrorism?

[Belaunde] All information on this process is classified. What I can tell you is that a well-coordinated plan has been designed and that it is being implemented. The aim of this plan is to give guarantees to the people. But I cannot disclose the details of the plan. What I can tell you is that a final decision has been made on this matter. Nobody wants bloodshed. On the contrary, we want to prevent bloodshed. I know that 99.9 percent of the people of Ayacucho condemn these criminals who have caused the poor to starve, who have destroyed the Pampas bridge in order to cut food supplies and cause the people to starve, in an effort to awaken discontent. They expect that the people will condemn the government, but the people will repudiate those who have wickedly blocked their supplies.

[Question] Mr President, we would like to know whether your appeal, your warning involves a government decision to hold talks with Shining Path leaders, as was once proposed by the interior minister in order to prevent a bloodbath in our country?

[Answer] We are dealing with criminals. This is not a political party with well-known leaders who could be called. This is a gang of murderers. That is the real situation.

[Question] What is your opinion of those who call for respect for the human rights of murderers, disregarding the victims' rights?

[Belaunde] Well, that is really absurd. I receive telexed and telegrammed pleas for human rights from European human rights organizations. These absurd messages are thrown out because they do not even merit filing.

The human rights we must care for are mainly those of peaceful citizens who die while they are sleeping, who have not attacked anybody, of peasants who can in no way be regarded as owners of large estates -- because nobody owns large estates -- peasants who have been tortured in a public square just because they till the land. It is the human rights of those law-abiding people that are in jeopardy.

[Question] Mr President, will you tell us the names of the new ministers of the Schwalb cabinet?

[Answer] I have to talk with the prime minister. We spoke over the phone several times, although we have not spoken every day. But I have to talk to him in order to make sure that the Constitution will be respected. What I want to say now is that I am very sorry about the resignation of the Ulloa cabinet because I am deeply indebted to Mr Ulloa, an outstanding economist, who has worked very hard and who was able to ride the storm. [end recording]

Shining Path Refuses To Surrender

PY281913 Paris AFP in Spanish 1714 GMT 28 Dec 82

[Excerpt] Lima, 28 Dec (AFP) -- It was disclosed in this capital today that the terrorist group Shining Path has rejected the 72-hour ultimatum given on Sunday by Peruvian President Fernando Belaunde. The armed forces are getting ready to intervene tomorrow, Wednesday.

The Peruvians' attention is focused on Ayacucho Department, southeast of Lima, where the Shining Path group -- headed by former university professor Abimael Guzman -- started operations 2 and 1/2 years ago that have become increasingly more intensive.

The extremists delivered a short note to the correspondent of the leftist (?daily) EL DIARIO, of this capital, in which they dismiss any possibility of surrendering as has been requested by the chief of state. They said that the more repression there is the more guerrilla activity there will be. Asserting that they are sufficiently prepared to confront any repressive operation, they stated that they have duly-organized and strategically-placed active members.

A few days ago they posted a communique to all the Ayacucho public servants, asserting that they have very modern arms and that they would dynamite public offices and banks during working hours.

It was also learned, although there was no official confirmation, that yesterday -- Monday -- a group of terrorists attacked a police post in a town in Victor Fajardo, and that a policeman was wounded at this time.

The armed forces, in turn, began to take tactical positions in the zone of operations and their units received reinforcements. As of today, Gen Oscar Brush -- the third officer with the rank of general -- will take over the command of the Ayacucho city headquarters. In fact, it was learned that army troops trained in antisubversive warfare were dispatched yesterday to the Provinces of Victor Fajardo and Cangallo where the Shining Path organization has been more active.

Information received this morning from the city of Ayacucho says that army troops have not yet engaged in combat, since they need a special order from President Belaunde to do so, an order that may be issued tomorrow.

At the same time, another 150 soldiers arrived yesterday afternoon in the capital of this department. This contingent was added to the troopers already stationed here and to the 300 to 500 soldiers who were sent over this past weekend.

ELECTORAL, LAND DISPUTES PROVOKE DISTURBANCES

PA290258 Paris AFP in Spanish 1718 GMT 28 Dec 82

[Text] Mexico City, 28 Dec (AFP) -- Sympathizers of various Mexican political groups have occupied seven mayoralities in different parts of the country to protest alleged electoral fraud, it was reported in Mexico City today.

Two municipal mayor's offices in the western state of Jalisco and five in the southern state of Chiapas were occupied by militants of the rightist Mexican Democratic Party and National Action Party, the leftist United Socialist Party of Mexico and the ruling Institutional Revolutionary Party.

The members of these political groups charge that fraud was committed in the 5 December mayorality elections, which prevented the victory of their respective candidates.

It was also learned that the inhabitants of Ocoyoacac, 43 km west of Mexico City, continue to occupy the mayor's office to protest against government authorities who are trying to acquire their land to establish a new agricultural reform settlement [asentamiento humano]. "The land is not for sale at any price," the inhabitants of Ocoyoacac have told the press. They have threatened that if the police try to evict them from the mayor's office they will blow up several cylinders of cooking gas that they have set up in the vicinity.

LABOR LEADER OUTLINES WORKERS' DEMANDS

PA282110 Havana International Service in Spanish 0000 GMT 28 Dec 82

[Text] Fidel Velasquez, the highest-ranking leader of the Confederation of Mexican Workers, has announced that in 1983 Mexican workers will demand a 40-hour week, staggered vacations and unemployment insurance.

Velasquez reported that management is sharpening its attack on the labor movement and on the constitutional reforms being dictated by the government, which legitimize more state intervention in the country's economy.

Velasquez reasserted in this regard that the federal government should be the only director of the economy; and to this end, he pointed out, it will have to abolish the powerful financial groups that are trying to meddle in the country's affairs. He said that the economic measures dictated by the government of President Miguel de la Madrid give priority to the interests of the majority over those of minorities.

BRIEFS

QUINTANA ROO TIME ZONE -- Mexico City, 27 Dec (NOTIMEX) -- President Miguel de la Madrid today signed a decree authorizing the State of Quintana Roo to begin using the 90-degree meridian time zone [GMT minus 6 hours] effective on 3 January 1983. In this manner, all of the Yucatan Peninsula, Campeche and Quintana Roo will come under the 90-degree meridian time zone. At present Quintana Roo is 1 hour ahead of Campeche and Yucatan. [Mexico City NOTIMEX in Spanish 0410 GMT 28 Dec 82 FL]

CHIRIQUI BANANA OPERATIONS FUNCTIONING NORMALLY

PA272035 Panama City MATUTINO in Spanish 23 Dec 82 pp 1A-8A

[By Jaime Beitia]

[Text] All of the Chiriqui Land Company's operations in Puerto Armuelles have been functioning normally since yesterday, according to a report given to MATUTINO by Alvaro Munoz, the company's secretary of defense and labor [title as published]. According to Munoz, all of the banana farm laborers returned to their jobs after Gen Ruben Dario Paredes, Labor Minister Jose G. Montenegro and Lt Cols Julian Melo and Lorenzo Purcell made several suggestions to the labor union. Munoz said that the workers' decision was made despite the Chiriqui Land Company's unilateral decision to change the banana packing system to the workers' detriment, in open violation of the labor code.

The labor leaders sent their decision in writing to the Labor Ministry yesterday, after a long meeting with Labor Minister Jose G. Montenegro. This attitude shows the union leaders' good faith, Munoz added. He said that they have demonstrated the ability to turn to dialogue when faced with problems.

Meanwhile, the workers hope that other controversies between labor and management resulting from a lack of understanding on the part of the Chiriqui Land Company will be solved.

Munoz said that the company's unilateral decision to change the banana packing system was rejected from the outset by the workers, because they were not consulted. This caused a 6-day stoppage in shipments.

The workers expect the company to pay them for the 6 days during which the stoppage took place, because the decision to suspend shipments was made by the company and not by them.

LA REPUBLICA COLUMN CRITICIZES U.S. AMBASSADOR

PA290157 Panama City LA REPUBLICA in Spanish 27 Dec 82 p 16

["Vox Populi" column by Luis Restrepo Rosas]

[Excerpts] Recent statements made by the U.S. ambassador to a transnational news agency have caused deep concern and indignation in large sectors of the country's public opinion. Warmongering statements and accusations against nations and peoples with whom we have cordial relations are all part of a semantic muddle that places Panama's neutrality policy in doubt. They also place in doubt the efforts of the Panamanian Government and people to find solutions to the problems of their Latin neighbors through dialogue. These statements, the play on words and the projection of dubious and subtle ideas, insinuate that "Panama can resolve any problem on the fulfillment of the canal treaties with a little commitment."

When those people say it, the word "commitment" takes on a dangerous meaning for Panama and its people. With those people, "commitment" has usually meant to accept decisions made by the other side, which have caused serious damage to Panama's international prestige.

One can perceive, smell or feel diplomatic interventionism; one can feel a sly maneuver in the air; one can feel the movement of a spider spinning its subtle web in an effort to involve our country in shady maneuvers as a belligerent party in the problems of nearby countries. Everything seems to indicate that another proconsul has arrived among us. It is our duty to warn that THE PEOPLE OF THIS COUNTRY OF JUSTO AROSEMENA, LEON A. SOTO, ASCANIO AROSEMENA AND ALL OF THE NATION'S MARTYRS WILL NOT STAND FOR A NEGROPONTE IN PANAMA. [uppercase passage published in boldface in original]

COSTA RICA

SECURITY MINISTER DENIES RESIGNATION RUMORS

PA281647 San Jose Radio Reloj in Spanish 1200 GMT 28 Dec 82

[Text] Costa Rican Public Security Minister Angel Edmundo Solano has said that he does not intend to resign and that he will continue to work with the same enthusiasm and dedication that he has applied to his work so far.

There are still many programs to be carried out and many goals to be reached. As long as I have the support and the confidence of the president I will not leave the ministry, he added.

Rumors about the security minister's alleged resignation originated within his own ministry and elicited comment from other cabinet members. Some legislators even expressed their opinion on the subject, although no one would agree to be quoted publicly.

EL SALVADOR

BISHOP DENOUNCES GOVERNMENT 'STUBBORNNESS'

PA282119 Havana International Service in Spanish 0000 GMT 28 Dec 82

[Text] Msgr Gregorio Rosas Chavez, auxiliary bishop of San Salvador, has criticized the Salvadoran Government's stubborn refusal to hold the talks proposed by the Revolutionary Democratic Front, FDR, and the FMLN.

The bishop said in a homily that 5,000 people were killed this year by the repressive forces of the regime and by paramilitary bands.

Many of us have had the personal experience, Monsignor Rosas Chavez added, of family tragedies in which a father, husband or son is killed, imprisoned or disappears.

ARMY OPERATION DESTROYS SIX GUERRILLA CAMPS

PA272339 San Salvador EL DIARIO DE HOY in Spanish 24 Dec 82 p 4

[Text] During the "Christmas" operation carried out by members of the army's 5th Infantry Brigade in San Vicente, six terrorist camps were destroyed in the northern area of the department.

The operation to clean out subversive redoubts started on Monday and ended successfully on Thursday, according to the reports.

Sources of the 5th Infantry Brigade revealed that the terrorists suffered more than 40 dead and an undetermined number of wounded. Only one soldier and one army scout were reported as wounded among the military personnel.

The four [as published] destroyed camps were near El Coyol, Amatitan Arriba, Amatitan Abajo, El Oregano, El Chililllo and Los Avalyta, located in the jurisdiction of San Esteban Catarina and Santa Clara. The report added that this operation will serve as an example for others in the future. Military sources said that "the operation was a tactical success because of surprise attacks used throughout the action."

It was also reported that power was again cut in San Vicente yesterday at dawn, when terrorist elements felled high-tension towers.

GUERRILLAS CUT POWER TO EASTERN DEPARTMENTS

PA272315 San Salvador Radio Cadena YSKL in Spanish 1800 GMT 27 Dec 82

[Text] The eastern sector of the country is again affected by violence. Since last night, the whole eastern sector has been without electricity due to guerrilla attacks. Reports reveal that at 2100 power was interrupted in the departments of La Union, San Miguel, Usulutan and Morazan, cutting electricity to almost 80 cities and towns of the four departments and affecting nearly 1.5 million inhabitants.

The guerrillas have again interrupted the fragile truce that was requested by the bishops of the Episcopal Conference before Christmas Eve. The bishops requested that the armed groups observe a truce during the holidays.

HAVANA CITES MILITARY CLASHES, OTHER TOPICS

PA240038 Havana International Service in Spanish 1800 GMT 22 Dec 82

[Text] Salvadoran guerrilla forces have sprung an ambush on a national police patrol on the road linking Santiago de Maria and Usulutan. Eight repressive policemen lost their lives in the action. The rebels sprang another ambush at km 103 of the Pan-American Highway, but no details were given on the incident.

Clashes between FMLN forces and military elements took place at La Cruz canton, in Santa Ana Department, but there were no casualities on either side. According to the military high command, a new antiguerrilla operation with approximately 1,000 troops participating, has been launched in San Vicente Department.

The state of siege, which has been in effect in the country for over 2 years, was extended an additional 30 days on Tuesday. It was also reported that the state university, which was attacked and ransacked by the army over 2 years ago, will not open its doors for lack of funds. The Salvadoran Central Reserve Bank, has reported that the balance of payments deficit will total approximately $200 million in 1983, and that the foreign debt currently totals more than $1.5 billion.

GUATEMALA

MEXICAN PATROL BOAT FIRES AT FISHING VESSEL

PA272147 Panama City ACAN in Spanish 1545 GMT 27 Dec 82

[Text] Guatemala City, 27 Dec (ACAN-EFE) -- The morning paper PRENSA LIBRE today reported that a coast guard vessel of the Mexican Navy, which was sailing in Guatemalan waters, "inexplicably" opened fire on a Guatemalan fishing vessel.

According to PRENSA LIBRE, the Guatemalan vessel was fishing off the port of Ocos, on the border with Mexico, when the Mexican patrol boat fired several times, missing its target, in an attempt to seize the boat. PRENSA LIBRE added that subsequently the Mexican crew went aboard the Guatemalan ship and "beat the four crewmembers."

However, the source added that "because of the Mexican aggression" the Guatemalan authorities intervened and captured a Mexican crewmember armed with a machinegun. He was identified as Urbano Mateos. The Guatemalan morning paper illustrated its report with several photos of the two vessels and the captured Mexican citizen.

HAVANA CITES EXTENSION OF STATE OF SIEGE

PA282329 Havana International Service in Spanish 1600 GMT 28 Dec 82

[Text] The Guatemalan regime has extended for 30 more days the state of siege imposed in that Central American country more than 9 months ago. This decision was made because the government believes that the causes that led to this measure still persist. According to political observers, this decision contradicts remarks by Guatemalan tyrant Efrain Rios Montt, who said in November that the war against the guerrilla organizations was over.

ORPA LEADER COMMENTS ON CIVILIAN MILITIAS

PA251600 Havana International Service in Spanish 0000 GMT 23 Dec 82

[Pedro Martinez Pires interview with (Pedro Suiz), member of the Guatemalan National Revolutionary Unity and member of the Armed People's Revolutionary Organization (ORPA), of Guatemala; no date or place given -- live or recorded]

[Text] [Question] (Suiz), in recent months there have been international reports about the organization of civilian militias in Guatemala. Could you comment on the political and military context that serves as framework for this tactic of the Efrain Rios Montt regime?

[Answer] Of course. First, I want to make it clear that this is a political and military maneuver of the enemy, that it is being promoted and directed by Yankee imperialism and that it results from the enemy's political defeat and its growing operational inability to control the advance of the revolutionary forces.

[Question] You said political defeat?

[Answer] Of course. At this moment the revolutionary movement has become the country's decisive political force because of the support of the population, and especially because of the Indian people's entry into the war and the political situation in the United States. The regime is maintained only through army terror and repression. The National Revolutionary Unity Movement has provoked a crisis in the army causing it to lose its offensive capability, and making it impossible to send army forces to all the areas where the movement operates.

At the same time, the army's crisis is becoming more acute because it has had to concentrate its troops in order to attack guerrilla positions.

[Question] (Pedro), what is the objective of this counterinsurgency tactic by the enemy?

[Answer] The army is trying to effect a political coverup internally and especially internationally. It has been organizing civilian militias with the alleged goal of defending the [words indistinct] its guerrillas. The army is therefore, trying to make it seem that the people are against the revolutionary movement and are prepared to fight the movement and that, therefore, the people are supporting the army.

The army is also trying to portray the people's war as a civil war. Through misinformation and propaganda, the army is trying to create for themselves another image, to change the significance and character of the people's revolutionary war being waged in Guatemala.

[Question] What are the regime's domestic objectives?

[Answer] Its main objective is to free its regular forces from being committed to the tasks of guarding and controlling towns and installations of military importance.

The regime is also putting civilian forces in the frontline to fight the guerrillas. The army is not interested in protecting these forces. On the contrary, it likes to see casualties among the civilian forces; they use this as political motivation against the revolutionary movement.

[Question] Finally (Pedro), we would like to know how the enemy is implementing this tactic.

[Answer] The only way the army has been able to organize the civilian militias is through terror and corruption. This is where its weakness lies. Terror does not produce permanent results. The weapons the army is giving the people will become popular weapons.

HONDURAS

NEW DEFENSE SECRETARY TO TAKE OFFICE 1 JAN

PA290101 San Pedro Sula LA PRENSA in Spanish 28 Dec 82 p 18

[Text] La Ceiba -- A report published by this newspaper has been confirmed. Col Amilcar Castillo Suazo will become defense secretary on 1 January. Castillo Suazo himself confirmed to LA PRENSA what we had previously reported.

Amilcar Castillo Suazo, who has spent only 9 months as commander of the 4th Infantry Battalion, added: "I am honored by this appointment by the government." He promised to undertake positive actions to maintain the peace and tranquillity that we now enjoy for the welfare of the citizens. "In the international field, I will try to ensure the bonds of friendship among our brothers, especially in Central America, based on the idea of the internationalization of peace that my country promotes."

He did not know who would take over the leadership of the "Red Devils" of the 4th Infantry Battalion.

NICARAGUA

HUMBERTO ORTEGA HONORS 1982 FALLEN COMBATANTS

PA290001 Managua Domestic Service in Spanish 0000 GMT 28 Dec 82

[Speech by Defense Minister Commander Humberto Ortega Saavedra on 27 December at the Ruben Dario Theater in Managua on the occasion of the eighth anniversary of the occupation of Chema Castillo's house by the Juan Jose Quezada Commando Group, and to pay tribute to Sandinist combatants who fell defending the homeland during 1982 -- recorded]

[Excerpts] Today, 27 December, we are meeting here this afternoon to pay tribute to the Sandinist combatants who fell in the clashes that took place daily during 1982. Today's date has a profound and Sandinist revolutionary historical meaning for our people and our vanguard. On 27 December 1974 a Sandinist commando group shook the Somozist tyranny in the well-known Chema Castillo guerrilla action here in Managua.

We will have a brief general evaluation of what happened this year, of events directly related to our brothers who fell.

This year, 1982, particularly in the last few months, our revolution saw how reactionary forces supported by imperialism increased their counterrevolutionary activities. Helicopters and planes coming from Honduran territory violated our airspace on 150 occasions. Of these violations, 128 were carried out with planes and 22 with helicopters.

There were also a total of 23 airspace violations by planes coming from the south. As you can see, these violations were mostly in the northern region bordering on Honduras: The entire area of Chinandega and Nueva Segovia, and especially the area of northern Zelaya.

At the same time, espionage flights over our country using more modern equipment from the United States continued throughout the year. The region known as the Gulf of Fonseca, the northern border and Nicaragua's coasts in general were under continual observation through 93 flights by U.S. reconnaissance planes.

There were also naval activities off our coasts carried out by U.S. units, like the one that took place in November when the Frigate USS Trippe and other U.S. naval units were used. We know of 24 activities of this type that involved ships moving off our coasts. These ships were of various nationalities, but were mainly U.S. ships.

There were incursions from Honduras to carry out various tasks, including propaganda activities, intelligence gathering and reconnaissance of military areas, roads and areas of importance for the counterrevolution. This took place especially in northern Zelaya, northern Jinotega, Nueva Segovia and the west. There were no less than 70 incursions of this nature. These involve forces that get in, collect information, do the work assigned to them and then return to Honduras. This involves also the kidnapping of peasants, cattle rustling, etc. They sabotage the economy and carry out other activities.

We also have to face other types of activities from abroad, especially along the border with Honduras, that involve larger forces, but not exceptionally large detachments yet. We also have this information, and we will speak on this later.

We have recorded 166 actions carried out by small units from Honduras against our territory. They engage in ambushes and attacks on patrols, and they also commit murder, crimes and sabotage against the civilian population to harm the social and economic development of our revolution, especially in these areas that are far away from the capital where it is more difficult for us to protect or to arrive quickly to counteract the actions of the enemy. This is because of the lack of communications, the lack of roads, etc. There were 166 activities of this nature in the areas that I have pointed out along the border with Honduras.

There were also provocations by regular Honduran Army forces on the northern border -- 155 of them. These provocations ranged from attacks on border guard patrols, to troop movements aimed at protecting the armed Somozist bands operating in Honduras and other types of activities. There were 155 such provocations by sectors of the Honduran Army. We call them provocations because they try to arouse our forces to make them react in a way that would create more important conflicts, a war between Honduras and Nicaragua, which the reaction, imperialism, the CIA and the Somozist guards believe they can win.

In November and December alone, without including the latest actions by Somozist bands on 25 and 26 December, there have been 44 attacks from Honduras. We are now referring to larger forces, larger detachments, which were trying to implement the plan we already denounced through a video cassette that has been distributed to the world, in which a former member of the Argentine Armed Forces revealed the plan for aggression that was to be implemented in December. We want you to know that even before this Argentine citizen made his public appearance, the Nicaraguan Interior Ministry together with the Army's military intelligence, had already revealed this plan.

There were 44 important armed activities of various types in this region, particularly in Nueva Segovia and in the northern part of Jinotega. Here you may recall the fighting at El Aguila Hill, where on 24 November Laureano Mairena, Captain Mairena -- a heroic combatant during the days of popular insurrection -- was killed. You may also recall all the clashes on 9 December, at El Aguila Hill and (Nubarrones), where our troops managed to drive out from their positions and push back to Honduras more than 500 armed former Somozist guards, organized in large detachments, who were trying to implement the plan for aggression that authorities of the Nicaraguan Interior and Defense Ministries have revealed.

These 44 attacks took place in November and December. This is a large number. We have these attacks individually listed. You can see the increase that took place at the end of the year.

The visit of the representative of Zionism to Central America, especially to Honduras, must also be pointed out as part of the November-December aggression. It is a known fact that this visit by Israeli Defense Minister Ari'el Sharon strengthened the U.S. capacity for intervention in the region. Now the United States will use the discredited, corrupt Zionist war criminals of Israel. They will use the forces that are experts in matters related to war: The Israeli Zionists. We have to point to this as an important development in the imperialist aggression.

Other important developments taking place around this time -- starting on 22 December, to be specific -- are the various military preparations going on right now in Honduras. These preparations on which we have acquired information include U.S. and Honduran military forces. Apparently, these could be preparations for the Hawk View maneuvers that had been scheduled for January until they were suspended, or for some other kind of military maneuvers. The objective behind this is always to strengthen reactionary positions against Nicaragua.

We know that they have set up special air command posts [puestos de manod aereo] for this type of maneuver. There are such posts in Tegucigalpa and at various other points in Honduras, especially in the Gulf of Fonseca, a gulf shared by Nicaragua, Honduras and El Salvador. There they have adopted the policy of shooting at any ship not authorized to navigate some parts of the gulf.

There is talk that a missile frigate has been moved to the Gulf of Fonseca, and that a military ship has also arrived from Puerto Rico. This ship will be operating on Honduras' Atlantic side, from Puerto Lempira.

These are important developments in the enemy aggression during November and December.

Now we briefly want to mention an effort in which some companeros of our Army gave their lives, and the situation in which the young martyrs of Ayapal died: The evacuation problem. We want to say that the evacuation is practically over. In spite of the problems that the counterrevolution tried to create -- and created -- our revolution, our government, our Army, the Interior Ministry companeros and the groups struggling against the counterrevolutionary bands have been able to conclude the evacuation, and most of the Nicaraguan citizens have been evacuated to the Camilo Ortega, (Jacinto Hernandez) and (Jorge Huhol) state production units, among others. Many of the persons who have been resettled are already picking coffee.

This is the present situation of the evacuation effort. In spite of the harsh blow endured by our people with the death of the children, we want to say that the success of the evacuation operation is a real tribute to the brothers who died in the evacuation effort, trying to accomplish the task assigned to them.

In this report, we want to touch on a special point: The border guard troops. As we know, it is the border guard troops who are in the frontline of the people's war, daily facing the armed actions of the enemy. Generally speaking, in 1982 our border guard forces participated in more than 90 armed clashes. In addition to this, they had to maintain the necessary discipline in order not to be aroused by the direct provocations of the Honduran Army.

The border guard forces have also broken up 24 attempts to steal cattle and 6 attempts to kidnap peasants. The counterrevolutionaries had plans to take both the cattle and the peasants to Honduras.

The border guard forces have also seized ammunition, propaganda, explosives and drugs while cooperating in the work carried out by the Interior Ministry. The border guard troops made 226 arrests in connection with illegal border activities, especially along the northern border, the border with Honduras. Persons who were engaged in illegal activities in Nicaragua's northern region have been arrested -- 226 of them.

The border guard forces have suffered 27 men killed. They were members of the border guard forces of the Sandinist People's Army [EPS]. They also had 44 wounded. This was a result of the 90 clashes to which I referred before. We must state that 24 border militia companeros also gave their precious lives. These militia forces are the most important immediate support of the border guard units of the EPS in the border region.

As a result of the activities to which we have briefly referred, our forces killed no less than 411 former Somozist guards who formed part of the Somozist Armed Forces in Honduras.

We are sure that 1983, like 1982, will be a year of gains and victories by the revolutionary process. It is true that we have had casualties in this struggle; this is because we are advancing and intensifying the revolutionary process. If our process were not advancing, if it were not being intensified, we would not have counterrevolutionary attacks and activities from the enemy.

The fact that they are hitting us, trying to strangle us, attacking us daily, planning a more important aggression, means that the revolution is advancing, winning.

We are sure that in 1983 we will advance, despite the difficulties. The year 1982 is drawing to an end, but the present political situation is not drawing to an end. The confrontation with Yankee imperialism is not ending. The confrontation with the most reactionary sectors of the Honduran Government and Army is not ending. The presence of thousands of former Somozist guards near the border has not yet come to an end. The year 1982 is coming to an end, but not this situation.

We trust in the people and their will. We trust in their creativeness. We trust in their firmness. Today, having the experience we gained in 1982, we are sure that in 1983 we will be able to better organize our people to further guarantee our capacity to boldly face and reject any aggression, and also to face, reject and defeat the enemy. Only in this way would we keep faith with our brothers who fell in 1982.

Free fatherland... [people shout: Or death].

DANIEL ORTEGA ON IMPORTANCE OF CURRENT HARVEST

PA231418 Managua Radio Sandino Network in Spanish 1200 GMT 22 Dec 82

[Excerpts] By returning the land to those who work it, the revolution is fulfilling the duty and the historical commitment to make justice conform to the dream of Augusto Cesar Sandino, the general of free men as well as the dreams of Commander in Chief Carlos Fonseca and of the thousands of heroes and martyrs of the revolution.

During the main event held at San Rafael farm yesterday, in San Roque municipality, Matagalpa Department, the government delivered more than 8,000 manzanas of land which were granted in 19 agrarian reform titles to cooperatives of that region.

Commander Daniel Ortega Saavedra, coordinator of the government junta; Salvador Mayorga, deputy minister of Midinra [Ministry of Agricultural Development and Agrarian Reform]; and several government officials handed out the land titles.

In his speech, Sandinist leader Ortega warned that we are experiencing difficult times because there are people who hate this revolution. They want a return to the past of exploitation, misery and death.

There are those who have a class hatred, Commander Ortega noted. He was referring to the U.S. Government, to the Somozists who identify with the Reagan administration and to some people here in our country, members of political sectors, who also have class hatred against our people. Imperialism does not realize that this revolution is invincible, Ortega added. Imperialism cannot understand that there are thousands of militiamen, reservists and the organized people who are willing to defend the revolution.

The Sandinist leader urged hundreds of rural workers to join the coffee harvest in addition to the work they do on their land. He noted that to harvest the coffee is to defeat imperialism because imperialism wants to sabotage production. We will hear Ortega's remarks on this subject as he addressed hundreds of rural workers in San Roque:

[Begin recording] We have a challenge [words indistinct] companeros of Jinotega and Matagalpa, we have a challenge here for those of Esteli, Nueva Segovia [words indistinct] to harvest this coffee.

We have to pick 240,000 quintals of coffee. This will allow us to sell on the international market and to obtain foreign exchange to meet our need to import spare parts, medicines and machinery; that is, those products which we cannot manufacture here in Nicaragua and must import from other countries.

By 15 January, we should have already picked 60 percent of the 240,000 quintals. Everybody should go and pick coffee after 24 December, beginning 26 December, in order to reach this goal. We are sure there will be a great response from the companeros of the various places represented here. We are sure that we will be able to complete this harvest because in addition to being an economic problem, this is a political and military problem.

The enemies of our revolution, the national guardsmen who are carrying out their criminal activities from Honduran territory are thinking, they are planning to sabotage the coffee harvest. They figure that if they disrupt our coffee harvest we will have less money to import medicines, spare parts, machinery, etc. Then the people will get unhappy and will turn against the government. This is what they expect. They are expecting this kind of situation. [end recording]

VOICE OF SANDINO: ALFONSO ROBELO INTERVIEW

PA251341 (Clandestine) Voice of Sandino in Spanish to Nicaragua 0000 GMT 22 Dec 82

[Interview with Alfonso Robelo Callejas, president of the Nicaraguan Democratic Movement and member of the revolutionary leadership of the Democratic Revolutionary Alliance; "Somewhere in Central America"; date not given -- live or recorded]

[Excerpt] [Question] Our first concern is to obtain from you an overview of Nicaragua's political, social and economic problems at the present time when two antagonistic forces are facing each other: the National Guard, with its past filled with terror, and the totalitarian extreme leftist force of the so-called National Directorate of the treasonous collective. This situation experienced by the Nicaraguan people has been analyzed by every Nicaraguan inside and outside our borders.

[Answer] First of all, I want to send a fraternal and revolutionary greeting to all Nicaraguans. This is the right time to discuss -- with the honesty and clarity I've always used in speaking to the Nicaraguans -- the reality of what is happening in Nicaragua, our struggles, our concerns, our objectives and our goals.

There is no doubt that the deterioration -- I'd say the near disaster -- in Nicaragua has spread throughout every sector and every aspect of our national life.

We realize how bad the situation is and the extent of the country's collapse when we see the cynicism of the National Directorate. It has reached the extreme of cynicism -- it can only be called that -- of talking about a law on political parties, 3 and 1/2 years after the triumph. It is a law that, within the farce of the National Directorate, will be submitted by the junta to the State Council at the alleged request of the Patriotic Front of the Revolution [FPR]. We thus realize the scope of the country's political disaster. Why? Because the FPR is nothing more than another political facet of the National Directorate; or, better said, another facet of the totalitarian directorate, of the ill-termed National Directorate. The directorate has very cynically asked the government junta -- itself a puppet of the totalitarian directorate -- to submit to the State Council -- yet another puppet in this machinery -- a law on political parties which, as we Nicaraguans say, has already been cooked. This proves the degree of political deterioration, the disaster, the cynicism and the vileness into which we have sunk in the political arena, to mention only some aspects. They do this while we all know that that the radio stations are in network, the newspapers are censored, the television stations have been monopolized and the people are gagged in this increasingly repressive police state. This situation derives from the betrayal of our revolution -- 3 and 1/2 years after its beginning, at this point in 1982 -- which has brought so many developments and so much suffering to the Nicaraguan people.

It is clearly a cynical stand: The junta and the nine talk about a government for the workers and the peasants, yet they increasingly subject both the workers and the peasants to situations of misery. We have reached the point where, socially, we are distributing poverty and slavery. This is the harvest yielded by the directorate of the nine traitors. This is the country's current social reality.

What might one say about the economy? The situation there is obvious. Unemployment has reached unprecedented levels; 45, 50 and 55 percent. Cotton production is not even half of what it was in Somoza's ill-fated days. Coffee prices are declining and meat exports these days are a third of what they were in Somoza's day. Bananas are no longer exported. We are sinking into a chaotic situation. We are living in an impoverished economy, an exhausted economy.

The private sector's confidence has been lost, as well as the incentive to produce, and we now find this sector in the hands of the state, in the hands of a privileged elite of few members, who increasingly hand the enterprises -- some of them are very profitable -- to inefficient administrators, or who politicize them to a point that work centers are being closed day after day, week after week.

That is Nicaragua's actual internal situation. If we look at the external situation we see a most shameful picture of our nationalist Nicaraguan revolution, a revolution that was truly born of a Sandinism that meant the defense of Nicaragua and its true values, but has now been totally surrendered to foreigners and internationalists to those who are satellites of the other superpower. Sandino fought against the North Americans when they invaded Nicaragua in the 1920's. Now, those who claim to be the sons of Sandino, a claim which actually constitutes an offense to that general of free men, are enslaving the country and handing it over the Cuba and the USSR. This is truly shameful.

[Question] Mr Robelo, after this ample explanation of Nicaragua's political, economic and social situation, provided by you for the Nicaraguan people's benefit, we would like you to speak to our people about the significance and presence of the Democratic Revolutionary Alliance, Arde, at these moments of so much political confusion, during which the two extremes are engaged in a rather unfortunate role in the history of Nicaragua.

[Answer] The Democratic Revolutionary Alliance, Arde, is, as its name implies, a coalition, a union of four great forces, which are highly respected by the Nicaraguan people and which have an impressive background of popular support in our country. As you all know, it is made up of the Sandino Revolutionary Front, led by Commander Eden Pastora; the Nicaraguan Democratic Union and the Nicaraguan Revolutionary Armed Forces, led by Commander Fernando Rappacciolo; the Miskito, Sumu, Rama Sandinist Unity, whose national coordinator is Brooklyn Rivera; and the Nicaraguan Democratic Movement, MDN, which I lead. Why have these four forces united? We have united primarily because we are all revolutionaries. We do not oppose the revolution; in fact, we are a part of and identify with that revolution, for it cost us sweat, blood, risk and danger. We want to rescue the Nicaraguan people's revolution, with which we identify.

We are not counterrevolutionaries, for we have demonstrated our solidarity with that revolutionary process, which had not only full national support but was a guiding light to the entire world, to Latin America; it was supposedly to lead the way to a third alternative and to stress the right of the peoples of Latin America, of Central America and of the Caribbean to achieve their goals.

This revolution is a part of us; we consider it ours, but as originally planned and based on three great principles; true nonalignment, tarnished today by the surrender of our foreign policy to the USSR and Cuba; true pluralism, also trampled today and rendered a vanguard of the nine privileged hierarchs who believe they have saved for themselves the right to direct the destiny of the nation forever and who merely have a facade of pluralism; and a mixed economy which, as we already said, has been totally destroyed by the mismanagement and ill use of the funds, similar to the times of Somoza. They are ignoring an important sector of that mixed economy; the private sector. That sector is presently gagged and intimidated and has no incentive to produce with the drive which properly characterizes this creative and productive sector. Every one of the revolution's principles has been abandoned and betrayed. Arde is, in fact, identified with the original revolution. As our name indicates, we are also revolutionaries and democratic.

We swear and commit ourselves before God and the people to recover for the long-suffering Nicaraguan people in short time -- no longer than a year -- the right to choose their own officials through free elections. Because that is what democracy means; a government of the people and for the people. For us it is a sacred commitment which, through the voice of Sandino today, we reiterate to all our brothers in Nicaragua, so that it will be clear that we do not want to engage in deceit. We are democratic because we want to return to the people their right to rule their own destiny based on free, periodic elections.

[Question] We would like you to tell us more about the important communique read to the Nicaraguan people and all free people of the world at a 16 December news conference. This declaration to the Nicaraguan people, signed by Arde's four leaders, has a very special significance at this moment if we consider the different currents of our political problem and the fact that on the one hand, we find the maturity of Arde's political leaders, while on the other -- unfortunately for our people -- we face the attitude of the nine traitors who failed to give adequate attention to a matter of such importance to our people. We would like to ask Mr Robelo to give a broad explanation of the declaration's significance. We would like him to analyze the effects this statement has had on the various sectors of the nation.

[Answer] The Arde statement of 16 December could be defined as a summons. The Nicaraguan people should not think we are naive. We are aware of the situation the country is enduring; we realize that at present conditions are not right for a civilized and civic solution of our problems such as free and honest elections. However, the Nicaraguan people must also realize that many of us who are now fighting and who will never capitulate -- and this is important to keep in mind, because we did not surrender in times of Somoza and we are not surrendering now -- were in a privileged position of power, but chose to abandon those positions and head for the plains and from there, share with our people their aspiration to be truly free and democratic.

With this clear explanation that we will never capitulate; that what we want is to save the people from further death and destruction we have set forth the following: To clear the way so that the elections scheduled for 1985, too remote a time, be advanced to mid-1983; that is, we want elections 6 months from now.

In no way are we talking of negotiating with the FSLN, or rather, with the totalitarian leadership of the FSLN. We are not trying to make any deal or settlement with them. We are telling them that if, despite their betrayal and their capitulation to their bosses in Moscow and Havana, they still have some patriotism left in them or some interest in stopping the Nicaraguan people's suffering, then give the people back their right to choose their officials. That is our proposal. It is not a proposal like those of the past when Conservatives and Somozists distributed the seats of Congress among themselves. It is a proposal so that they may have another opportunity. Let us hope it is not the last one before our patience wears out.

This is a summons to seek peace through elections. It is neither a summons to war nor to an electoral campaign, but a patriotic summons for peace. It seeks the stability of Central America and Nicaragua, because peace in Central America is dependent on Nicaragua. To the extent that there is peace in Nicaragua, so will there be peace throughout Central America.

We cannot think of an international peace alone. What good is it to have as we wish, good relations between Nicaragua and Honduras or between Nicaragua and El Salvador or between Nicaragua and Costa Rica, all of which are sister nations, if such relations are going to be based on the enslaving of all the peoples?

Therefore, every time peace initiatives have been submitted by sister nations such as Venezuela, Honduras, Costa Rica, Mexico and even more remote nations like France, we have said such initiatives are incomplete if they do not consider Nicaragua's reality. Today we have tried to tell them a door is still open. Now it is up to them. If they have a little conscience, patriotism or true Sandinism, they should give a sober answer to this proposal by giving the Nicaraguan people the right they earned with their sweat and blood; the right to choose the Nicaragua they want in June 1983. We will step aside if that right is returned to the people.

[Question] Do you have any message during this Christmas season which is so deeply felt by the Nicaraguan people?

[Answer] Nicaraguan brothers, we are concluding the year 1982, which was filled with important events; the statements by Commander Pastora, the creation of the Democratic Revolutionary Alliance, the recent summons offering possibilities of peace, and so many things demonstrating the totalitarian direction of the FSLN leadership. This year ends with a positive balance since the people are now more combative and democratic, more determined to carry out their project to make Nicaragua a true democracy.

So when we look back during this Christmas season, we should not complain. We have advanced and consolidated that spirit of struggle which we are certain will never capitulate and which is already evident among the Nicaraguan people.

When we look to the New Year 1983 and raise our eyes toward the future, we realize that although the perspective for 1983 is quite somber on the political, social and economic fronts, it becomes brilliant when one sees the Nicaraguan people's spirit of struggle.

Let the Nicaraguan people know; let our brothers in Chinandega, Somoto, Juigalpa, Rio San Juan, Rivas and all areas of the other Nicaraguan departments know that we are on their side and that we will never capitulate. They may rest assured that our fighting spirit will lead us down whatever paths may be necessary so that, as Pedro Joaquin Chamorro used to say, Nicaragua may again become a republic.

A fraternal greeting, a Nicaraguan greeting, to each and every listener. They may be sure that from exile, Arde's revolutionary leadership, including Commander Fernando Chamorro, Commander Eden Pastora, Miskito Brother Brooklyn Rivera, and yours truly, Alfonso Robelo Calleja of the MDN, embrace you on this Christmas. We assure you that soon we shall democratically rescue our Nicaraguan revolution. Good night to all.

VOICE OF SANDINO INTERVIEWS EDEN PASTORA

PA261518 (Clandestine) Voice of Sandino in Spanish to Nicaragua 0000 GMT 26 Dec 82

[Station interview with Commander Eden Pastora, former Nicaraguan deputy interior minister and leader of the Revolutionary Democratic Alliance; no date or place given -- recorded]

[Excerpts] [Question] Right now, as well as throughout 1982, two concepts have been at the forefront in the national and international political scene. I refer to what has been called the dialectic of extremes, involving a totalitarian extreme leftwing, represented by the so-called National Directorate and an extreme rightwing -- which we might also describe as totalitarian -- represented by the National Guard, which is now engaged in artful maneuvers at the northern border, and by a group of oligarchic moguls. This serious dilemma in Nicaragua's current situation has been analyzed by politicians on several occasions. Turning now to political issues and in view of the changes that have taken place this year, we would like to hear a new analysis of the situation at this time.

[Answer] This is the most serious problem at this moment in Nicaragua; you either support the past by supporting the Somozist National Guard, which is now poised in northern Nicaragua and on the border with Honduras; or you support the National Directorate along with its moral and political deviations, its leftwing totalitarianism and its Stalinism in Nicaragua. This is the situation faced by the Nicaraguan people. It is either the extreme rightwing of the past or the extreme leftwing of the present.

We, the revolutionary Sandinists, are intent on offering our people a third formula, consisting of the Revolutionary Democratic Alliance [Arde]; the unity of organizations and parties that defends the true Sandinist revolution, the democratic rescue of the Sandinist revolution.

[Question] Within this dialectic of extremes, it would be important to determine what historical role will have to be played at a given moment by the Sandinist people's militias, the Sandinist People's Army [EPS], the border guardsmen and the reserve battalions; that is, the various units that currently make up the Sandinist armed forces. We understand that you have said that there are honest soldiers and commanders and that they must play their historical role within the overall panorama presented by the dialectic of extremes.

[Answer] Given this situation, we must do what several companeros in the militias, in the battalions, the EPS and the Sandinist police have suggested to me. They have told me: Look, Eden, we are waiting to solve the National Guard problem first, after which we'll solve the National Directorate problem. Let us first solve the problem of the National Guard and then the problem of the National Directorate. In other words, they are saying that the two are one and the same thing.

I agree with them. What we are now waiting for is the gradual construction of a nationwide organization -- an organization in Managua, Leon, Masaya, the north, the south and in the Atlantic and Pacific areas. We are creating a political organization and whatever other organization is necessary. However, once we solve the problem of the threat of a return to the past, let us struggle against the Marxist-Leninist, Stalinist present of the nine haughty gentlemen who have banned originality, renounced Nicaraguanism and Sandinism and have become Russians and even Cubans; for now even Emmett Lang [chief of the rearguard for the EPS] is saying "La paltiste, la paltiste" [Cuban colloquialism meaning "right on target" or "to hit the nail on the head"]. He can't say "Distes en el clavo" [Nicaraguan colloquialism meaning "to hit the nail on the head"] or some other local expression. With all of the esteem I feel for you, Emmett Lang, I have to tell you that you are really making a mess of it. This is just to cite an example.

These are the things that are disgusting to people, to the Sandinists' national character -- "La paltiste, la paltiste." I esteem and respect Cubans and I am grateful to them and all of that, but I wouldn't go around imitating them. I wouldn't stop being a Nicaraguan to become a Cuban, even if Radio Havana attacks and criticizes me and says I am a CIA agent or some such nonsense. Let Radio Havana refrain from meddling in Nicaragua' internal problems. We do not get involved in Cuba's internal problems.

I would not say Fidel is a KGB agent, even if he were. And with all due respect to the commander, I do not attack the leaders of the Cuban revolution. Let them stop meddling among us Nicaraguans. They have meddled too much already, so let them put a stop to it.

Look, the only thing that is saving the Cubans who are in Nicaragua is the threat posed by the National Guard in the north. If the National Guard were not in northern Nicaragua and on the border with Honduras and in Honduras, I would appeal to the Nicaraguan people and a lot of things would be defined here. And we would speak in a different way and refer to many other things that I have not wanted to talk about.

But if Radio Havana -- and I know that when Radio Havana speaks it is because the Cuban Communist Party [PCC] has ordered it to do so -- goes on meddling and attacking, slandering and discrediting us with lies, I will talk about some of the other things I have thus far declined to talk about. If I am forced to that point, I will do so. I will talk, for example, about how Tomas Borge killed (Chico Chiquito Macondo), about how Carlos Fonseca Amador died because of the responsibility and will of Henry Ruiz, Tomas Borge and (Pedro Arauz), and about how and why Humberto Ortega betrayed the Tercerista Tendency. They sidelined and [word indistinct] all Terceristas because the Tercerista Tendency is democratic and truly Sandinist. And about why they criticized Elias Noguera. After criticizing and talking about Elias Noguera, they have started to mention him in BARRICADA and EL NUEVO DIARIO and to grant him his proper historical place, as they earlier began to to with Rancisco Rivera and with Ruben [not further identified]. And I will talk about the tanks and a number of other things I have not talks about, even though they have called me a traitor. Let Radio Havana avoid meddling on PCC orders in Nicaragua's problems, because they are already meddling too much and we will respond by talking about these things.

[Question] In the current situation, the existence of Arde has given rise to great expectations; its recent manifesto had a great impact, not only in our fatherland but internationally, and there have been a number of reactions to it. To sum up this question, we would like to ask you about Arde's historical raison d'etre, its conflict and unity and the impacts of its latest message to the government.

[Answer] Let me explain. Arde arose from the historical need for all democratic and peace-loving Nicaraguans to unite. All of us Nicaraguans have the patriotic duty to unite against a common enemy -- Nicaragua's past and present -- and to seek a democratic formula that will respect the Nicaraguans' human rights and all of their democratic rights. Recently, in an effort to achieve peace, we demanded that the National Directorate fulfill its commitment to the Nicaraguan people by holding free elections as soon as possible, in the search for peace. However, they again reacted irresponsibly, with lies, slander and threats of death. Here again, Humberto Ortega came out and said that he does not talk to traitors. To them, we are traitors. This is a matter of interpretation. One thing is true, and it is that I have not taken foreign troops into Nicaragua and never will. Nor will I become aligned with any empire: Neither with the Soviet or Russian -- this is just a matter of semantics -- nor with Washington or U.S. imperialism.

I say that this is subject to interpretation because we feel that it is they who are traitors. Yet, when searching for peace and democracy, we will even talk with traitors, so that they will have no reason to complain.

We will even talk with traitors if necessary in order to achieve peace and democracy in Nicaragua. I want to respond in this fashion to the Tercerista, to the betrayer of the Tercerista Tendency, Humberto Ortega, and I appeal to Humberto to return again to the Tercerista path. Only in this way will we be able to save the Sandinist revolution.

Humberto, you are forgetting. Your Mercedez Benz; your armored $20,000 Suburban and those of the other commanders; that sweet taste of power and all of those things that power brings are isolating all of you from the masses, from a political, a geopolitical, reality.

You are lost in time and space. Power has mixed you up. The Soviet tanks made you lose sight of reality, of the geopolitics. No, man, with 80 tanks [Pastora changes thought] I have already told Joaquin Cuadra that if the Russians give us 80 T-55 tanks, the Americans can give 100 M-60 tanks to the Hondurans. Furthermore, they would supply them with full crews. They can supply helicopters, tanks, cannon, planes and anything that the Hondurans, Salvadorans and Guatemalans need to defeat and destroy us, or at least to prevent us from carrying out the revolution.

This is because Reagan wants a poor revolution, like that which you are carrying out. What Reagan wants is a revolution, (?or) a great national jail called Nicaragua. That is also what you want. And, in the face of this, Arde has emerged as the only viable solution, as the only third formula to the rightist extreme of the past and the leftist extreme of the present.

[Question] There is something very important, Commander Pastora, about this latest statement, which is a call to peace. It is in connection with the deadline. In Nicaragua, the people are constantly asking whether June 1983 will be the deadline for arriving at a democratic and revolutionary situation and how long Arde will wait for these conditions to come about. In other words, there is much talk about the time, the deadline. It is important that you clarify this.

[Answer] Well, we say June or July for the elections. However, the first trial of a fair and honest electoral process -- the sine qua non for demonstrating honesty in the electoral process -- is freedom of the press now, right now. How long the Nicaraguan people will wait, I can't tell you. Personally, I can't wait any longer.

[Question] There has been a plethora of international press reports stating that Francisco Fiallos Navarro, the Nicaraguan ambassador to Washington, has resigned. The statement made by Fiallos at a news conference that was censored and that could not be published by the daily newspaper LA PRENSA coincides with Arde's platform and raison d'etre. He raised the need for a democratic opening and for free elections, as well as for unlimited press freedom. Thus, two ambassadors to Washington, Arturo Cruz and now Francisco Fiallos, have resigned in only a year.

From the political and revolutionary standpoints, what is your opinion of these attitudes and situations?

[Answer] First of all, I wish to congratulate Fiallos for his manly, revolutionary, Sandinist, patriotic and honest (?attitude). Secondly, I would like to know what Father d'Escoto thinks. And don't let Father d'Escoto come and tell me that Paco [nickname for Francisco Fiallos] is also a CIA agent, because I'll begin to think that he himself is a CIA agent.

With all of the respect I feel for Father d'Escoto, I am waiting for him to come down from that cloud, from such heights, to a realistic level; to see what is happening in Nicaragua and to come forth with some statement. I imagine that sooner or later all honest officials in the Nicaraguan Government -- and I presume there are many -- will begin to take the same patriotic stands as did Paco Fiallos, who resigned when he realized that the censorship of his revolutionary and democratic statement was evidence of leftist totalitarianism.

I ask all honest Nicaraguans to take stands like Fiallos', like those of us who love our people and our revolution, who have fought for decades for a Sandinist, anti-imperialist, nonaligned, democratic and just revolution, advocating true changes and not a mere alteration from Somozism to neo-Somozism or from Somozist torture to frontist torture. We fought for 20 years, but not to move from Somozist jails to frontist jails or from Somozist repression to frontist repression. We fought to abolish Somozism, both the Somozism of the past and today's frontist Somozism. We struggled for peace in Nicaragua, for love within the great Sandinist family, within the Nicaraguan family; for democracy and for overall freedom.

We have followed and will continue to follow the example of Sandino, Rigoberto Lopez Perez and Benjamin Zeledon -- but not that of the latter's grandson. We are going to follow the example that is being given to us by the few Fiallos, by Arturo Cruz and by (Tono Coronel). We must follow the example of these Sandinist men of dignity and patriotic pride.

And, along these lines, we will refer in future conversations to Jose Valdivia, Commander Valdivia, who is now relegated to attending to the railroad's ties and rails. We will talk in the future about other things, like (Chico Chiquito Macondo). Do you remember, Tomas, you son of a bitch, when you told me that you had killed him? That day when you said: I ordered him killed, and I asked you why. I felt afraid that day. I saw your eyes and felt afraid of the coldness with which you told me that you had ordered the death of a man who had carried you when you were tired and were fleeing from the National Guard, which was catching up with you and was going to kill you. (Chico Chiquito Macondo) -- (Denis Ortega Flores) -- carried you, and yet you ordered him killed afterward.

You murderer. We will talk about those things and about other things that I have not yet unearthed but will. The Nicaraguan people will know about them even if you gag the press, radio and television, even if you try to keep the people's ears closed.

That people will learn the truth because we are going to inaugurate another station inside Nicaragua -- the Voice of Free Nicaragua [Voz de Nicaragua Libre] and we Nicaraguans will then have Radio Sandino [as heard] and the Voice of Free Nicaragua. And I am announcing to you that we will have another station in addition to the Voice of Free Nicaragua, called Radio Benjamin Zeledon. The Voice of Nicaragua will broadcast on the 31-meter band, and Radio Benjamin Zeledon will broadcast on the 49-meter band, very close to the Voice of Sandino, just as Sandino and Zeledon were very close in their ideals and in their opposition to both Soviet and U.S. imperialism.

[Question] Commander Pastora, there is another issue that we would not want to omit from this interview that you have granted to the Voice of Sandino, which is part of the Sandino Revolutionary Front's news system. I refer to the statement made by the Argentine Hector Frances, which has been manipulated by the traitorous collective and televised in various countries, in which he used old arguments that are well known to our people and the international community. He talks basically about the CIA and about a bond between honest revolutionary and democratic elements and those dark forces that have nothing to do with anything revolutionary or democratic. Can you expand on some statements you have made about Hector Frances?

[Answer] Hector Frances talked about a lot of nonsense -- or, better put, the National Directorate did so through his lips. The National Directorate was inconsistent in its statement through Hector Frances because, on the one hand, he was told to say that I have been passing information since 1979, that I receive money from the CIA; and on the other hand, they told him to say that the CIA is going to kill me. Nothing could be more inconsistent than that. I am not denying that either the CIA or the Somozist guard can kill me, or that the National Directorate is also interested in killing me because they know that only if I am dead will I fail to overthrow them.

The National Directorate wants to kill me, so they mounted a show and told Frances to say that the CIA is going to kill me. This way, the day they kill me they will say; see, here is Hector Frances' statement that the CIA was going to kill him, and that is just what happened; see what Hector Frances said.

It wants to kill me because it knows that I will not rest, that I will never rest as long as a rightist totalitarianism or a leftist totalitarianism is practiced in Nicaragua. I will not rest as long as Nicaragua is ruled by traitors.

(Antolin) [not further identified], you must be one of the most ardent defenders of press freedom. This is a revolutionary and Sandinist right. No matter how many times you see Hector Frances saying that I receive money from the CIA, do not allow yourself to be fooled. Even if they make him tell you this for 4 hours, don't believe him; because if they order him to tell me for 8 hours that (Antolin) is a CIA agent because he criticized the deviations of the National Directorate, I would not believe him.

The (Antolins) must not allow themselves to be duped even if there is only one official press, even if only one radio and television exist in Nicaragua and even if the people are not allowed to become informed.

The (Antolins) must not allow themselves to be confused by the Hector Franceses. The people of Nicaragua must not allow themselves not be confused by the National Directorate, which is using a man who is sentenced to death.

The people know that they now have the Voice of Sandino, which tells them the truth, and that tomorrow they will have the Voice of Free Nicaragua and the day after tomorrow they will have Radio Benjamin Zeledon. We are going to install six stations inside Nicaragua, across the length and breadth of the Nicaraguan territory. We, the companeros in there, will be risking our lives so that the Nicaraguan people will know the truth, and so they will not be manipulated the way the National Directorate wants.

BARRICADA REPORTS 24 DECEMBER BORDER ATTACK

PA282116 Havana International Service in Spanish 0000 GMT 28 Dec 82

[Text] The newspaper BARRICADA, which is published in Managua, reported today that on the night of 24 December Honduran soldiers opened fire on the custom house at El Espino in Nicaragua, and on neighboring houses, although the attack did not cause any casualties. The newspaper explains that several shots hit a home where 20 people live, including 5 children.

BARRICADA notes that the action took place even though military officials from both countries met last week on the border and Honduran Col Danilo Ferrara promised that not even the former Somozist guards would attack Nicaragua from Honduran territory.

PAPER NOTES 'FAILURE' OF CARIBBEAN BASIN PLAN

PA281421 Managua BARRICADA in Spanish 23 Dec 82 p 2

["Viewpoint" column by Leonel Urbano: "What About Reagan's Plan?"; upper case denotes boldface as published]

[Text] Undoubtedly, Ronald Reagan had to meet yesterday with Latin American ambassadors at the White House with much embarrassment and little glory, to tell them that his much-publicized Caribbean Basin plan "is near my heart" but...you will have to wait a while.

The U.S. Congress ended its session by shelving the part of the plan that would have facilitated the import of Caribbean products into the United States and would have stimulated Yankee investments in the area. According to Reagan, these were "parliamentary maneuvers by a small minority of opponents."

After a year of hackneyed propaganda, which made the MINI-MARSHALL plan a thing of the past; after the meager $350 million offered to all his "friends;" and after the scanty results of his Latin American tour, Reagan and his government team increasingly reveal to unbelieving eyes that their policy revolves around their well-known strategic objectives.

However, if the year 1982 closes with this publicity failure of false economic aid, we cannot say the same about their increasingly open military interventionism. U.S. interference in El Salvador and Honduras, their $19 million -- it surely is much more than that -- to arm a counterrevolutionary army to attack Nicaragua and their strategic cooperation with the Zionist regime of Israel have not stopped.

The dominant sectors of certain Latin American regimes who cherished hopes about Washington's aid are now left with nothing in sight but more debts and the risk of becoming involved in a regional conflagration that has been unleashed by imperialism. The crisis of the capitalist system and the upsurge of popular movements in the region prevent the realization of even a parody of the unsuccessful Alliance for Progress that John Kennedy created as a preventive counterinsurgency strategy two decades ago.

Our America and, above all, Central America start 1983 under the serious crisis of their outdated structures and under the threat of a war imposed by imperialism.

Once more, our nations are at an extremely dangerous edge, with the choice between war and peace on the horizon. Initiatives for peaceful and negotiated solutions to the crisis have bloomed in various sectors of Latin America and Europe. All of these initiatives favor negotiation BEFORE and not AFTER a regional war explodes, because the people would bear the brunt of the suffering and imperialism would be the only one responsible for its consequences.

FURTHER REPORTAGE ON NATIONAL ASSEMBLY'S SESSION

FL281400 Havana Domestic Service in Spanish 1100 GMT 28 Dec 82

[Excerpt] During yesterday's session of the National Assembly of the People's Government [ANPP] several deputies addressed the assembly, among them Fidel Castro, president of the Council of State. Speaking when the agenda topic on the innovations and rationalizations bill came up for debate, Fidel called for the bill -- which was later unanimously approved -- to reflect a little more recognition of the significant role played by the youth technical brigades in that movement.

During this first of three sessions to be held by the ANPP, several bills presented by the Council of State were approved. President Fidel Catro nominated Comrade Jorge Lezcano to fill the seat left vacant by the death of Dr Raul Roa. Also during yesterday's session, reports concerning ANPP international affairs and Council of State affairs were approved. The Council of State report, besides paying tribute to Brezhnev, also honored Roa and Secundino Guerra, describing them as two extraordinary sons of the fatherland who passed away since the last ANPP sessions.

By unanimous agreement, the deputies included in the agenda a proposal to study a motion of important initiatives made by Fidel during the recent FEU [Federation of University Students] congress regarding the sale of textbooks to students.

After debate and discussions regarding the election of the president of the Supreme People's Tribunal, Raul Amaro Salup was elected president and Francisco [Varona] Duque de Estrada was elected vice president. Also elected were the court presidents and professional and lay judges. The Republic's Attorney General, Idalberto L. de Guevara, and Deputy Attorney Generals, Rene Burguet de Flores and Justice-Col Mario Albarellos (Rodriguez) [name as heard], were reelected.

Fidel demonstrated interest in the different proposals contained in Villa Clara Province's report, read by Tomas Cardenas, provincial president. Among the topics that drew Fidel's attention were the transportation problems which were also widely discussed by Guillermo Garcia, minister of transportation, and other deputies.

Also during the opening session, the deputies discussed and approved the ANPP Session Rules Bill which will contribute to its efficiency. The agenda for this last session of the year includes a Ministry of the Sugar Industry report to be delivered by its minister, Diocles Torralba, and debate and approval of the bills dealing with the national economic and social development plan and the budget for 1983.

Sugar Industry Report Approved

FL282350 Havana Domestic Service in Spanish 2230 GMT 28 Dec 82

[Text] With the discussion and adoption of the sugar industry report submitted this morning by Diocles Torralba, the evening session of the National Assembly of the People's Government, chaired by Flavio Bravo Pardo, has begun. Commander in Chief Fidel Castro, president of the Councils of State and Ministers, is participating in the deliberations of the assembly meeting.

2.5 Percent Growth Rate Reported

PA290152 Havana International Service in Spanish 0000 GMT 29 Dec 82

[Text] Deputy Humberto Perez, president of the Central Planning Board, reported at the third ordinary period of sessions of the National Assembly of the People's Government that Cuba achieved a growth rate of 2.5 percent in relation to the previous year and decreased imports considerably.

Perez submitted the proposed unified economic and social development plan of the Cuban state for 1983, which was unanimously approved. It provides for a modest growth of our economy, since the world is experiencing a grave crisis.

In this period [not further specified] exports increased by more than 10 percent and significant advances were made in the sugar industry and the agricultural sector. At the same time, the domestic financial situation was balanced.

All these achievements were possible in spite of the fact that some countries withdrew their credit facilities, which caused a reduction of almost $750 million in the reserves of freely convertible currency and forced the country to renegotiate part of its foreign debt.

Fidel Castro, president of the Council of State, proposed that the report state that these achievements were possible thanks not only to the economic possibilities offered by the socialist system, but also to the excellent relations that we maintain in this respect with the socialist community. At the afternoon session the 475 deputies approved the report submitted by the minister of the sugar industry.

Regular Session Ends

FL290058 Havana Domestic Service in Spanish 0000 GMT 29 Dec 82

[Text] By agreement of the National Assembly of the People's Government, the year 1983 will be designated "Year of the 30th Moncada Anniversary."

Following 2 days of intense work with the presence of Commander in Chief Fidel Castro, the third regular meeting of the National Assembly of the People's Government of the Second Legislature has concluded at Havana's Palace of Conventions.

At this time, the president of the Councils of State and Ministers and first secretary of Cuba's Communist Party Central Committee is making the closing remarks of this important meeting of the highest government body.

The sole development plan and the state budget for 1983 as well as reports of the Ministry of the Sugar Industry and Villa Clara's Provincial Assembly drew the deputies' attention during today's working session.

The 486 deputies in attendance this morning continued to discuss the report submitted yesterday by Tomas Cardenas, president of Villa Clara's Provincial Assembly. The document was discussed extensively and was enriched by numerous suggestions and recommendations to further raise the level of future efforts of that governmental body.

The National Assembly agreed to have Santiago de Cuba Province submit its report for next session. That province will be hosting next year's 30th anniversary of the assault on the Moncada Barracks.

The President of the Council of Ministers and Minister of the Sugar Industry, Diocles Torralba, read a special report on the structure, work, characteristics and future development of the sugar industry. The report notes that the last harvest was the second best since the revolution's triumph. More than 8 million tons of sugar were produced with a third less men than those used in the 1970 harvest.

During the next regular session of the National Assembly, the Public Health Ministry will report on its efforts, structure, functions and development.

On behalf of the Executive Committee of the Council of Ministers, Deputy Humberto Perez submitted a report on the state of the government's sole economic and social development plan for 1982 as well as the one for next year. The National Assembly decreed that the draft submitted today is supported by a number of measures which provide continuity to the program of savings and more efficient use of resources. At the same time, it calls for a systematic effort by all agencies, organizations, enterprises and budgeted units to increase savings attained so far in the handling of productive and financial resources and to focus attention on all other aspects affecting efforts to attain greater economic efficiency. Francisco Garcia Valls, minister president of the State Committee for Finance, read a report prior to the discussion and adoption of the state budget for 1983.

Immediately afterward, the assembly decided the name to be given to the year 1983 will be "Year of the 30th Moncada Anniversary," as we reported previously.

A few minutes before 1800, the commander in chief began his closing remarks of the third regular meeting of the National Assembly of the People's Government.

ALMEIDA'S ACTIVITIES IN MOZAMBIQUE REPORTED

Pledges Continued Aid

FL281445 Havana Domestic Service in Spanish 1200 GMT 28 Dec 82

[Text] Cuban Vice President Juan Almeida Bosque has declared in Maputo that Cuba is willing to continue to help Mozambique by sending qualified technicians. Marcelino dos Santos, member of the Standing Political Committee of the Frelimo [Mozambique Liberation Front] Central Committee, said that Mozambique and Cuba's positions regarding important international issues are in total agreement. Almeida Bosque is paying an official visit to Mozambique as part of a tour through several African countries.

Addresses Rally

FL280239 Havana Domestic Service in Spanish 0000 GMT 28 Dec 82

[Text] Cuban Vice President Juan Almeida voiced Cuba's willingness to continue to help Mozambique with qualified technicians in a speech he made today at the (Cometal Mobetal) Steel Enterprise, located south of Maputo. Almeida termed as extraordinary the efforts of the enterprise's 50 workers who, with their inventions and determination, replaced technicians and missing raw materials caused by the theft of brains and the boycott imposed on that country by South Africa. In this regard, he said Cuba had to endure a similar situation at the beginning of the revolutionary process when many technicians left the country for the crumbs the imperialists offered them, leaving behind only those who loved the land, their fatherland, and were willing to produce for all the people.

Referring to the continued attacks by the South African racists, he said the Pretoria regime is interested in destablizing the government of the Frelimo Party so it will not build socialism in the country and the people of Mozambique may not share bread with other peoples and help them to gain independence.

In a brief historical narration, Almeida recalled that the great grandparents of the present Cuban and Latin American generations were taken from Africa with shackled hands and feet and abandoned throughout America and the Caribbean. Those men, he said, created much wealth and one day, when they tired of so much humiliation, degradation and slavery, they rebelled against everything bad and attained independence.

He noted that in that period of so-called independence, others oppressed and looted the Cubans, but against those new oppressors a struggle was also waged. The attack on Moncada took place; the Granma arrived; then the Sierra Maestra battle and, finally, definitive independence, he said.

HART MEETS WITH ANTONIO MACEO BRIGADE MEMBERS

FL281340 Havana Domestic Television Service in Spanish 1215 GMT 28 Dec 82

[Text] Armando Hart Davalos, member of the Politburo, met with 150 members of the Antonio Maceo Brigades from Spain, Mexico, Nicaragua, Venezuela, the United States and Puerto Rico in the Casa de las Americas in Havana.

Hart said that the brigades continue to grow and that this is helping Cuba win another moral battle against capitalism because a new progressive and humane generation has emerged. In answer to questions from members of the Antonio Maceo Brigade, Hart said that socialism guarantees man's basic human needs such as food, health, education and employment.

INDIAN FOREIGN MINISTRY OFFICIAL ENDS VISIT

FL281515 Havana Domestic Service in Spanish 1200 GMT 28 Dec 82

[Text] Indian External Affairs Ministry Joint Secretary, K.S. Bajpai, ended his visit to Havana after completing an extensive work schedule regarding preparations for the Seventh Summit Meeting of the Nonaligned Movement to be held in New Delhi in March 1983.

During his stay in Cuba, Bajpai held talks with Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers; Isidoro Malmierca, minister of foreign relations; and Jesus Montane, alternate member of the Politburo and chief of the Party Central Committee's General Department of Foreign Relations.

Bajpai will pay a visit to Nigeria and Senegal before returning to India.

U.S. POLICY IN LATIN AMERICA DISCREDITED IN 1982

PA260011 Havana International Service in Spanish 2310 GMT 24 Dec 82

["Our America" commentary]

[Text] There is no doubt that the discrediting of U.S. policy toward Latin America reached its highest level in 1982. President Ronald Reagan tried to prevent it, but his political ineptitude and that of his closest aides frustrated his efforts to subject our peoples to his designs. The so-called Caribbean Basin Initiative is evidence of such efforts.

While there is an ever-increasing worldwide clamor for Washington to suspend the aid it contributes to the genocide of thousands of Salvadorans, the $350 million mini-Marshall Plan proposed by the U.S. Government assigns $120 million to the Salvadoran regime. Also, the $350 million offered is a ridiculous amount because the external debt of the Central American countries alone approaches $11 billion.

Besides, the U.S. Government has turned down many proposals, including the Mexican-Venezuelan initiatives recommending a negotiated peace in Central America.

In an attempt to justify its interventionist and aggressive policy, U.S. imperialism offers this so-called aid as a contribution to the area's development, but in fact it is nothing more than a sinister and dangerous plot to turn the region into another potential war zone.

The intransigent refusal of Washington to establish more equitable relations with the area this year has widened the economic gap between the United States and Latin America. A document recently published by the Inter-American Economic and Social Council revealed that in the commercial aspect alone the imbalance in relations between the United States and the Latin American nations exceeds $14 million over the past 4 years.

Even though the United States is the principal beneficiary in its relations with Latin America, it has made every effort to make even more inflexible the terms of trade with the nations of the area. Exports such as tin, copper and silver have suffered serious price cuts in the international market. Likewise, the commercial restrictions imposed this year on sugar in the U.S. market through the quota policy reflect the scope of U.S. protectionism in relation to Latin America. The United States also established a number of tariff measures that affected the access to the U.S. market of textile products, shoes, home electrical appliances and farm products, depriving the area of the chance to diversify its exports. The Peruvian Government recently condemned the decision of the U.S. Commerce Department to establish tariffs ranging from 30 to 45 percent on Peruvian textile products. This protectionist measure will cause losses exceeding $60 million yearly to the Peruvian textile sector. This situation worsened relations between the two countries to the extent that Peruvian President Fernando Belaunde Terry decided to cancel his trip to the United States, considering the measure extremely harmful to the Peruvian economy.

The corruption of U.S. policy toward Latin America reached its peak a few months ago when Wasington sided with Great Britain in the Malvinas conflict and imposed additional economic sanctions on the Republic of Argentina, which caused a general revulsion throughout the continent.

The recent trip of President Ronald Reagan through several Latin American countries, during which he reiterated the intention of the White House to continue supporting the bloodiest dictatorships of the continent, showed once again the interventionist nature of U.S. policy, discrediting the United States even more throughout Latin America.

HAVANA ON ADVANCES OF SALVADORAN GUERRILLAS

PA251757 Havana International Service in Spanish 0000 GMT 23 Dec 82

["Our America" commentary]

[Text] The FMLN's success in the war against the Salvadoran regime shows the high degree of organizational and combat capacity which the guerrilla army has achieved during the revolutionary struggle. The creation of combative and disciplined rebel contingents in a small, densely populated country crisscrossed by roads once seemed a fantasy, but this dream has become an undeniable fact thanks to the skillful leadership of the FMLN General Command and the support of the people. In a recent statement to the news media, Joaquin Villalobos, an experienced rebel commander, noted that the Salvadoran revolutionary movement has solved various problems because of the great support it receives from the masses and the high degree of organization that exists among the country's peasants. He said, however, that this would not have been enough to successfully lead the war of liberation and to form a revolutionary army in a nation surrounded by those hostile to the development of the people's armed struggle.

Villalobos said that the fundamental factor has been the existence of a sure rearguard inaccessible to the forces of the dictatorship.

According to the member of the FMLN General Command, the January 1981 guerrilla offensive was the FMLN's letter of introduct ion. It was that military operation which permitted the consolidation of the insurgent rearguard, a factor of prime importance for the survival of the guerrilla army. The 1981 offensive, Villalbos said, put the regime's forces completely on the defensive and forced them to withdraw to the so-called strategic areas while the FMLN took the rural areas. Villalobos said that after that there were a few months of calm during which the FMLN organized the seven combat fronts it now has. The months of calm also gave the FMLN an opportunity to train new guerrilla fighters. In this regard, Villalobos said that the regime's military offensives were like training exercises for the men who recently entered the guerrilla movement. This way, he added, we had real-life tactical military training, through clashes with the enemy.

Furthermore, the rebel commander said, the guerrilla forces developed their logistic capacity under the very difficult conditions. Had we not satisfactorily solved this problem, it would have been almost impossible to consolidate the guerrilla rearguard. Villalobos added that in order to turn groups of armed men into an organized army, it was necessary to set the basis for solid revolutionary discipline and to establish in the fighters a political and military orientation in line with the development of the liberation war. Since then, he said, we have passed from the defensive to the offensive phase; right now we are capable of determining when, where and how we are going to fight the enemy forces.

Today, almost 2 years after the January 1981 offensive, the Salvadoran guerrilla army has full control not only of the high ground that puts the guerrillas in control of cantons, villages and secondary means of communications, it has also gained full control of the country's main roads and of the so-called strategic positions of the dictatorship. Therefore, the FMLN is an indestructable force that victoriously will lead the Salvadoran people to their definitive independence.

BRAZILIAN PAPER INTERVIEWS SURINAME OFFICIAL

PY230245 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Dec 82 p 9

[By Marielza Augelli, special correspondent in Paramaribo]

[Text] "In Suriname there are some 10 Cubans: five officials of the [Cuban] Embassy and their wives. That is all there are because in a small society like ours -- we are barely 350,000 all told -- it would be impossible for Cubans to go unnoticed. Some said yesterday that there were four Cuban ships in our port, but how can that be if no one saw them?" This was the answer of Dick de Bie, head of the National Information Service and spokesman for the Suriname Government to the insistent claims that there are Cubans in Suriname and that they are headquartered at the Bosbivac Camp near Paramaribo's airport.

During an exclusive interview granted to O ESTADO DE SAO PAULO in Paramaribo yesterday, De Bie termed "ridiculous" the international concern over the presence of Cubans in Suriname's capital and added: "Here we have 200 U.S. citizens, thousands of Netherlanders and everything is all right." He mentioned reports which he received on Saturday to the effect that the news media have been saying that now Suriname would serve as a bridge for communism to reach Latin America. He laughed a great deal as if this was absolutely impossible.

In any case the Suriname Government spokesman announced that his country's domestic policy will not change after the events on 9 December when 15 civilian leaders were killed. "The master guideline of our policy is anti-imperialism. However, we have no ties with any superpower. We are independent and we are not communists. Our movement can be classed among nonradical socialist movements or social democratic organizations, he emphasized. De Bie does not believe that there is any radicalization in Suriname and according to him the relationship Suriname has with Grenada -- a socialist Caribbean island -- is the same as the relationship it has with Brazil or Venezuela, for example. "Our relations with foreign countries have nothing to do with domestic policies or religions. We have connections with Cuba, Nicaragua and Grenada but Commander Daysi Bouterse has never paid an official visit to these nations, although we did go to Brazil and Venezuela," De Bie recalled.

For these reasons the Suriname Government is furious over the freezing of $2.7 billion in aid from the Netherlands, which was being paid out at the rate of $200 million per year after the independence of the nation. According to the head of the National Information Service, it is an international agreement between his country and the Netherlands and has been built into the economic plans of the government to finance highways, bridges, schools and other projects. "The Netherlands can fail to agree with what has happened in Suriname but that is its problem. It cannot just go ahead and sever the aid which has been set forth in an agreement that still has stages to be implemented. We cannot accept that country's interfering in our domestic policies as it wants to do," De Bie said, adding that the funds in question are also being used to build a railroad in western Suriname which cannot be discontinued.

"This is the first time that foreign aid is used to help the people of this country and we cannot allow it to influence our domestic policy. We are not going to tolerate pressure." Dick de Bie believes that the interruption of U.S. aid once again reveals how the United States views the development of foreign countries. "The United States does not understand that real development within the Third World has nothing to do with communism."

This clearly explains "the developments." According to De Bie, "The United States is accustomed to analyzing everything very strictly. It's either black or white," especially when the events are not in keeping with the U.S. line of thought."

On the other hand, De Bie stated that there will only be changes within the government after January because for the time being the people "are still shocked by recent events." However, he added, it is quite possible that some of the resigning ministers may remain in their posts. In the meantime he believes that the curfew, which was implemented 13 days ago, is an important measure to guarantee the country's security and there are no plans to lift it. According to the government spokesman, the death of 15 civilian leaders under arrest took place because "one of them -- the soldier Surindra Rambocus -- tried to escape when the group was being transferred from Fort Zelandia to the Memre Boecoe Barracks because he thought he was going to be executed; what happened at the beginning of the month was an attempt to oust the regime with the participation of the labor unions, the media and the universities. They were trying to create the necessary atmosphere to carry out a coup, which was scheduled for 25 or 26 December," stated De Bie.

According to De Bie, "the subversives" mainly resorted to the Moederbond Labor Union which is strongly linked to the U.S.-oriented ICFTU. The soldiers Surindra Rambocus and Sheombur were allegedly in charge of organizing the military actions of the coup and "although they were in prison, they had plans to escape while being transferred to a hospital." The head of the National Information Service stated that the situation within the country was difficult: "Strikes were being staged all over the place. The employees of the Central Post Office went on strike just because the central air conditioning system was not working. The leaders were manipulating public opinion and were stirring up problems within the unions, such as a demand for a salary increase of up to 70 percent. The media was entirely manipulated. One magazine, financed by the U.S. enterprise Alcoa, which published full page advertisements, even wrote full page articles against the regime. At the end of the articles it requested freedom of the press."

According to De Bie, Paramaribo's newspapers and radios that have remained closed since 9 December, will stay that way until a new set of laws in drawn up for preparation and dissemination of news in the country. "Here is Suriname we had the case of two or three wealthy families that were controlling the newspapers and radios and saying whatever they chose about the situation of the nation. Thus, we have to have a good look at the right to report." He disclosed that the nation will set up "courts for news media" to pass judgment on future "abuses."